

**ONTARIO
SUPERIOR COURT OF JUSTICE**

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant

- and -

2416946 ONTARIO LTD. and ALF K. STORCK

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED; AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

FIRST REPORT OF THE RECEIVER

(Dated March 19, 2026)

I. INTRODUCTION

1. This first report ("**First Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its capacity as receiver and manager (in such capacity, the "**Receiver**") appointed, without security, over all of the property, assets and undertakings of 2416946 Ontario Ltd. (the "**Company**") acquired for or used in relation to all of the Company's right, title and interest in and to the real property known municipally as 268 King Street, Midland, Ontario (the "**Real Property**"), by Order of the Ontario Superior Court of Justice (the "**Court**") dated May 1, 2025 (the "**Appointment Order**"), made pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended ("**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O 1990, c. 43, as amended. The application which resulted in the Appointment Order was commenced by Caisse Desjardins Ontario Credit Union Inc. ("**Desjardins**"). A copy of the Appointment Order along with the endorsement of the Honourable Justice A.J. Goodman made May 1, 2025 is attached hereto as **Appendix "A"**.

II. PURPOSE OF THIS REPORT

2. This First Report is filed to:

- a. report on the Receiver's activities in these receivership proceedings since the date of the Appointment Order;
- b. request an Order, among other things:
 - i. approving and authorizing the Receiver to enter into and carry out the terms of the sale transaction (the "**Transaction**") contemplated by an Agreement of Purchase and Sale dated February 6, 2026, as amended (the "**Purchase Agreement**"), entered into between the Receiver and 1000998274 Ontario Inc. (the "**Purchaser**"), and vesting in the Purchaser, the Company's right, title and interest in and to the Real Property, free and clear of all claims, liens, interests and encumbrances pursuant to an approval and vesting order (the "**AVO**") effective upon the Receiver filing the Receiver's Certificate attached thereto;
 - ii. sealing the confidential appendix to the First Report (the "**Confidential Appendix**") containing the unredacted Purchase Agreement, the Appraisal (defined below), the Updated Appraisal (defined below) and the summary of offers received by the Receiver for the Real Property, until the earlier of the closing of the Transaction or further order of the Court;
 - iii. approving the Receiver's proposed Final Distributions (defined below);
 - iv. approving the First Report and the conduct and activities of the Receiver described herein;
 - v. approving the Receiver's final statement of receipts and disbursements as of March 25, 2026 (the "**Final SRD**");
 - vi. approving the fees and disbursements of the Receiver and its legal counsel, Capstone Legal ("**Capstone**") as outlined herein and detailed in the supporting fee affidavits appended hereto, including the Estimated Fee Accruals (as defined below) to complete the Receiver's administration of the receivership proceedings;
 - vii. discharging AGI as Receiver upon the Receiver filing with the Court the certificate included as Schedule "A" to the draft form of Order found at Tab 4 of the Receiver's Motino Record (the "**Discharge Certificate**"), which certificate shall be filed subsequent to the Receiver completing the Remaining Activities (defined below);
 - viii. ordering and declaring that effective upon its discharge as Receiver, AGI is released and discharged from any and all liability AGI now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of AGI in its capacity as Receiver, save and except for any gross negligence or wilful misconduct on the part of AGI; and,
 - ix. such further and other relief as this Honourable Court may deem just.

III. SCOPE AND TERMS OF REFERENCE

3. In preparing this First Report, the Receiver has obtained and relied upon certain unaudited financial information and records of the Company. In addition, the Receiver has had ongoing discussions with representatives of Desjardins and their legal counsel and relied on certain loan information provided by them.

4. While the Receiver has reviewed the various documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Canadian Accounting Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to CAS or otherwise with respect to such information except as expressly stated herein.

5. This First Report has been prepared for the purposes described above. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose.

6. Unless otherwise noted, all monetary amounts referenced herein are expressed in Canadian dollars.

7. This First Report and all other court materials and orders issued and filed in these receivership proceedings are available on the Receiver's website at: <https://www.albertgelman.com/corporate-solutions/other-engagements/#Storck> (the "**Case Website**") and will remain available on the website for a period of at least six (6) months following the Receiver's discharge.

IV. BACKGROUND INFORMATION

8. The Company was incorporated provincially in the province of Ontario on May 1, 2014. Pursuant to a corporate profile report obtained by the Receiver which was generated on May 2, 2025, Alf Storck ("**Storck**") is the sole Director of the Company.

9. The Company's only material asset is the Real Property. The Real Property is located in Midland, Ontario. The building on the Real Property consists of two stories with two separate residential units located above a commercial unit which is at ground level. Each of the residential units and the commercial units are tenanted.

10. Further details about the Company and the events leading up to the appointment of the Receiver can be found in the affidavit of Yoan Bouchard, Account Director with the Special Loans department of Desjardins, affirmed April 10, 2025, which was filed in support of Desjardins' application and a copy of which, excluding exhibits, is attached hereto as **Appendix "B"**.

V. ACTIONS AND ACTIVITIES OF THE RECEIVER

11. Since the date of the Appointment Order, the Receiver has undertaken, among other things, the following actions and activities:

Real Property

- a. took possession of the Real Property on May 15, 2025;

- b. retained Richmond Advisory Services Inc. (the "**Property Manager**") to manage the Real Property. The Property Manager's responsibilities are, among other things, the following: (i) attending at the Real Property at least once every 72 hours in order to perform maintenance checks and walkthroughs; (ii) attending to required repairs and ongoing maintenance; (iii) changing the exterior locks to the building; (iv) liaising with tenants and collecting monthly rental payments; and, (v) arranging for ongoing utility services;
- c. registered the Appointment Order on title to the Real Property;
- d. retained TL Smith Appraisals (the "**Appraiser**") to prepare an appraisal of the Real Property;
- e. obtained property and liability insurance coverage with its insurance broker, Aon Canada Inc., in its capacity as Receiver;
- f. advised the Town of Midland of the Receiver's appointment and requested a current property tax certificate which it subsequently received;
- g. entered into a listing agreement with EXP Realty, Brokerage (the "**Realtor**");
- h. engaged Capstone to provide the Receiver with an independent legal opinion on the validity and enforceability of the mortgage security registered on title to the Real Property by Desjardins;
- i. engaged Pinchin Ltd. to prepare Phase I Environment Site Assessments for the Real Property;
- j. reviewed and evaluated offers submitted to the Realtor;
- k. negotiated and finalized the terms of the Purchase Agreement;

Other Actions of the Receiver

- l. served Storck with a copy of the Appointment Order by email after its issuance;
- m. communicated numerous times with Storck requesting various documents and information in order to assist the Receiver with its administration of the receivership proceedings, which communications have been responded to infrequently. Only certain of the information requested by the Receiver was provided by Storck who has generally not co-operated with the Receiver in order to assist it with the administration of these receivership proceedings;
- n. retained Capstone to act as the Receiver's independent legal counsel;

- o. prepared and issued the prescribed notice (the “**Receiver’s Notice**”) pursuant to Section 245(1) and 246(1) of the BIA. As of the date of this First Report, the Receiver has requested, but has not been provided with, a complete list of the Company’s creditors. As such, the Receiver sent the Receiver’s Notice to those creditors of which it was aware;
- p. contacted the Canada Revenue Agency (“**CRA**”) to confirm the amounts owing by the Company for all CRA accounts;
- q. provided regular updates to Desjardins and counsel to Sagewise Capital Corporation (“**Sagewise**”), the second-ranking mortgagee, regarding the administration of the receivership proceedings;
- r. in accordance with paragraph 27 of the Appointment Order, established the Case Website which the Receiver maintains and populates;
- s. responded to enquiries from various creditors and other stakeholders; and
- t. prepared this First Report.

VI. ASSETS AND LIABILITIES

Assets

12. The only asset of the Company of which the Receiver is aware is the Real Property.

Secured Liabilities

Mortgage and PPSA Security

13. The Company granted a first-ranking charge in favour of Desjardins in the principal amount of \$435,000 over the Real Property (the “**Desjardins Charge**”). The Company granted a second-ranking charge in favour of Sagewise in the principal amount of \$60,000 over the Real Property, which principal amount was subsequently increased to \$120,000. There are no other charges registered on title to the Real Property (the “**Sagewise Charge**”).

14. In addition to the first-ranking charge over the Real Property, the Company also granted Desjardins an assignment of rents (the “**Assignment**”).

15. Desjardins provided the Receiver with a statement of indebtedness in respect of its mortgage loan to the Company, a copy of which is attached hereto at **Appendix “C”**. According to the statement of indebtedness, the Company is indebted to Desjardins in the amount of \$471,423.46 (excluding amounts advanced by Desjardins for the funding of the receivership discussed in greater detail below) as of March 18, 2026, plus accruing interest and costs (the “**Desjardins Mortgage**”).

16. Pursuant to a *Personal Property Security Act* (Ontario) ("**PPSA**") search conducted by the Receiver on May 15, 2025, Desjardins is the only creditor to have registered a financing statement with respect to the Company which registration was in respect of the security interest granted to Desjardins in the rents generated from the Real Property pursuant to the Assignment.

17. The Receiver's independent legal counsel, Capstone, has provided the Receiver with a legal opinion confirming that the Desjardins Charge is valid, enforceable and the first-ranking charge on title to the Real Property.

18. Sagewise provided the Receiver with a statement of indebtedness in respect of its mortgage loan to the Company, a copy of which is attached hereto at **Appendix "D"**. According to the statement of indebtedness, the Company is indebted to Sagewise in the amount of \$192,510.06 as of March 20, 2026, plus accruing interest and costs (the "**Sagewise Mortgage**").

19. It is expected that Desjardins will suffer a shortfall in respect of the Desjardins Mortgage and, as such, there will be no distribution to Sagewise. Accordingly, the Receiver's counsel has not prepared a legal opinion in respect of the validity and enforceability of the Sagewise Charge.

Realty Taxes

20. Shortly after its appointment, the Receiver requested a tax certificate from the Town of Midland which indicated that there were unpaid property tax arrears in the amount of \$20,466.98 as at June 5, 2025 with a further \$4,485.97 owing on account of 2025. The Receiver has requested an updated tax certificate but as of the First Report's date, has not been provided with one. In any event, no property taxes have been paid by the Receiver since the date of the Appointment Order and it is reasonable to assume that the amount of property tax arrears as at the date of the First Report is in excess of \$25,000. An exact amount will be provided to the Court upon the return of the Receiver's motion by which time the Receiver expects to have received the updated tax certificate.

Canada Revenue Agency

21. The Receiver made numerous attempts to contact the Canada Revenue Agency ("**CRA** ") after it was appointed to confirm what, if any, amounts were owing by the Company. However, the Receiver was not provided with a confirmation from CRA and was recently advised that due to the backlog of receivership notices submitted to CRA, the Company's receivership may not have been assigned to a particular analyst in the CRA's insolvency group, meaning that it would likely take a few weeks before the Receiver will get a confirmation regarding any amounts that might be owed by the Company to CRA.

22. In addition, the Receiver may need to bring current the Company's filings with CRA meaning that there may be a further delay in getting a final confirmation as to what, if any, amount is owed by the Company. The Receiver requires the books and records of the Company in order to prepare and file the outstanding returns for the Company, however, as of the date of this First Report, Storck has not provided the Receiver

with the location of the Company's books and records nor has he provided certain information requested by the Receiver to complete the outstanding tax filings.

Unsecured Liabilities

23. The Receiver has not been provided with the information necessary to identify the Company's unsecured creditors, however, given that Desjardins is expected to suffer a shortfall on the Desjardins Mortgage, there is no expectation that any funds would be available for distribution to unsecured creditors.

VII. APPROVAL OF THE SALE TRANSACTION

24. The Receiver obtained a comprehensive appraisal report from the Appraiser which sets out the appraised market value of the Real Property as of May 12, 2025 (the "**Appraisal**"). On February 6, 2026 the Appraiser prepared an updated appraisal (the "**Updated Appraisal**") to reflect current market conditions. Copies of both the Appraisal and the Updated Appraisal, with the capitalization/discount rates and market values redacted, are attached hereto as **Appendix "E"** and **Appendix "F"**, respectively. Unredacted copies of the Appraisal and Updated Appraisal are included in the Confidential Appendix.

Sales Process

25. In accordance with paragraphs 3(j) and (k) of the Appointment Order, the Receiver is empowered and authorized to market and sell any or all of the property of the Company, subject to Court approval if any sale exceeds the thresholds established in the Appointment Order.

26. On July 22, 2025 the Real Property was publicly listed on the Multiple Listing Service for \$769,000. The listing price was reduced to \$699,000 on September 9, 2025 and then subsequently reduced again on October 17, 2025 to \$669,000.

27. The Realtor received 24 direct inquires about the Real Property, conducted 7 showings and 4 offers were submitted to the Receiver.

28. A summary of the offers received for the Real Property is included in the Confidential Appendix.

Purchase Agreement

29. On or about February 6, 2026, the Receiver received an offer from the Purchaser (the "**Offer**") whose sole principal is Storck. The Offer included several conditions which are not appropriate in a receivership context. The Receiver signed back the Offer with those conditions removed. The Receiver also added a condition that it receive satisfactory evidence from the Purchaser that it had sufficient financing in place to complete the Transaction (the "**Purchase Financing Condition**"). The parties subsequently executed the Purchase Agreement.

30. On March 4, 2026, the Receiver waived the Purchase Financing Condition after receiving evidence of financing from the Purchaser. The Purchaser has paid a total deposit of \$40,000 which is currently held in trust by Capstone. The only remaining condition under the Purchase Agreement is obtaining the AVO.

31. The Transaction contemplated in the Purchase Agreement is the best offer received in terms of price and perceived execution risk vis-a-vis the applicable conditions and willingness and ability of the purchaser to close. A copy of the Purchase Agreement, with the purchase price redacted, is attached as **Appendix "G"**. An unredacted copy of the Purchase Agreement is included in the Confidential Appendix.

Receiver's Recommendation – Purchase Agreement

32. The Receiver recommends approval of the Purchase Agreement as well as authorization to complete the Transaction for the following reasons:

- a. the Real Property has been exposed to the market since July 22, 2025 and the market has been fulsomely canvassed;
- b. in the Receiver's opinion, the purchase price included in the Purchase Agreement represents fair market value given the appraised value set out in the Updated Appraisal and the length of time that the Real Property has been exposed to the market;
- c. the Transaction is the best offer with the fewest conditions that the Receiver received for the Real Property;
- d. the Purchase Agreement contemplates that the Purchaser will purchase the Real Property on an "as is, where is" basis and that the Receiver is providing no representations or warranties in respect of the Real Property;
- e. the Receiver is satisfied that the Purchaser is willing and able to close and the Receiver anticipates closing the Transaction within 5 business days of the AVO being issued. The short closing time reduces the inherent risks and costs associated with the Receiver remaining in possession and control of the Real Property;
- f. the Transaction allows for the monetization of the Real Property in accordance with the purpose of the receivership process;
- g. the Purchase Agreement is conditional only upon the Court issuing the AVO; and
- h. there is no reason to believe that continuing to market the Real Property will yield a better transaction than the one contemplated in the Purchase Agreement and the continued cost of marketing the Real Property will simply erode the recovery available to the Company's secured creditors.

33. For the reasons stated above, the Receiver believes that the Transaction, as contemplated in the Purchase Agreement, is fair and reasonable and represents the highest and best realization for the Real Property in the circumstances.

34. The sale proceeds generated from the Transaction are expected to result in a partial payout of the Desjardins Mortgage, after the payment of all prior ranking claims, resulting in Desjardins suffering a shortfall. Representatives of Desjardins have advised the Receiver that Desjardins consents to the Transaction.

35. Accordingly, the Receiver recommends that this Court: (i) approve the Transaction as contemplated by the Purchase Agreement; (ii) authorize the completion of the Transaction; and (iii) grant the AVO.

VIII. RECEIVER'S PROPOSED DISTRIBUTION

36. The Receiver proposes the following distribution of the sale proceeds generated from the Transaction after closing (the "**Final Distributions**"):

- a. payment of amounts owing under the Court-ordered charges set out in the Appointment Order, including but not limited to the Receiver's Charge and the Receiver's Borrowings Charge (both terms as defined in the Appointment Order);
- b. payment of commissions to the Realtor upon closing of the Transaction;
- c. payment of the amount due on closing on account of property tax arrears owing to the Town of Midland as at the closing date;
- d. payment of amounts outstanding and owing to CRA, if any, after further inquiry from the Receiver; and
- e. payment to Desjardins in an amount up to the total indebtedness owing under the Desjardins Mortgage, subject to the Receiver having sufficient funds available to do so in full or in part.

37. Given that Desjardins will suffer a shortfall in respect of the Desjardins Mortgage, there will be no distribution to any other secured or unsecured creditors of the Company.

IX. FUNDING OF THE RECEIVERSHIP

38. In accordance with paragraph 23 of the Appointment Order, the Receiver is at liberty and empowered to borrow by way of revolving credit facilities or otherwise such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal does not exceed \$250,000. Any such borrowings are to be secured by way of the Receiver's Borrowings Charge which ranks ahead of all other interests in favour of any other Person other than the Receiver's Charge.

39. As of the date of this First Report, the Receiver has borrowed \$74,436.81 from Desjardins under a Receiver's Certificate (as defined in the Appointment Order) to fund certain costs and expenses of the receivership administration. Attached hereto as **Appendix "H"** is a copy of the two Receiver's Certificates issued to Desjardins dated September 2, 2025 and December 3, 2025, respectively.

X. RECEIVER'S FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS

40. Attached hereto at **Appendix "I"** is the Receiver's Final SRD.

XI. REMAINING ACTIVITIES OF THE RECEIVER

41. In order to complete its mandate, the Receiver must attend to the following matters (the "**Remaining Activities**"):

- a. close the Transaction;
 - b. make the Final Distributions after confirming the amount of any claims ranking in priority to the Desjardins Mortgage;
 - c. pay the final fees of the Receiver and counsel to the Receiver as set out in the Estimated Fee Accruals; and,
 - d. undertake such other administrative activities as may be required to complete the receivership.
42. Upon the Receiver completing the Remaining Activities, it shall file with the Court the Discharge Certificate in order to effect its discharge as Receiver of the Company.

XII. RECEIVER'S FEES AND DISBURSEMENTS

43. The fees of the Receiver for the period to February 28, 2026 are detailed in the affidavit of Tom McElroy sworn March 20, 2026 a copy of which is attached hereto at **Appendix "J"**.

44. The Receiver's fees encompass 120.3 hours at an average hourly rate of approximately \$504.24 for a total of \$60,659.50 and applicable taxes. The Receiver is therefore requesting that this Court approve total fees inclusive of applicable taxes in the amount of \$68,545.24.

45. The fees and disbursements of Capstone for the period of May 2, 2025 to February 28, 2026 are detailed in the affidavit of Danny Nunes sworn March 18, 2026, a copy of which is attached as **Appendix "K"**.

46. Capstone's fees encompass 15.4 hours at an average hourly rate of \$500 for total fees of \$7,700 and accounts totalling \$10,156.97, inclusive of disbursements and applicable taxes. The Receiver is therefore requesting that this Court approve Capstone's total fees and disbursements inclusive of applicable taxes in the amount of \$10,156.97.

47. The Receiver is of the view that the hourly rates charged by Capstone are consistent with the rates charged by law firms practising in the area of insolvency in the Toronto market and that the fees charged are reasonable and appropriate in the circumstances.

48. The Receiver will incur further fees and disbursements relating to the completion of the Remaining Activities and the termination of the receivership proceedings. Further in that regard, the Receiver proposes fee accruals, which amounts are set out in the Final SRD, to complete the Remaining Activities (the **"Estimated Fee Accruals"**).

XIII. RECEIVER'S REQUEST FOR APPROVAL

49. The Receiver respectfully requests an Order of this Honourable Court providing for the relief set out in paragraph 2 of this First Report.

All of which is respectfully submitted this 25th day of March 2026

**ALBERT GELMAN INC., solely in its
capacity as Court-Appointed Receiver
of 2416946 Ontario Ltd. and not in any other capacity**

Per:



Tom McElroy, *CIRP, LIT*

APPENDIX A

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) THURSDAY, THE 1ST
JUSTICE A.J. GOODMAN) DAY OF MAY, 2025

B E T W E E N:

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant



and

2416946 ONTARIO LTD. and ALF K. STORCK

Respondents

APPLICATION UNDER SECTION 243(1) OF *THE BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED; AND SECTION 101 OF *THE COURTS OF JUSTICE ACT*, R.S.O. 1990, C.C.43, AS AMENDED

APPOINTMENT ORDER

THIS APPLICATION made by the Applicant, Caisse Desjardins Ontario Credit Union Inc. (the "**Caisse**"), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Albert Gelman Inc. ("**AGI**") as receiver and manager (in such capacities, the "**Receiver**") without security, over all property, assets and undertakings of 2416946 Ontario Ltd. ("**241**") (the "**Borrower**" or the "**Debtor**") acquired for or used in relation to all of the Debtor's right, title and interest in and to all of the property more particularly described at **Schedule "A"** (the "**Property**"), was heard this day by videoconference at 45 Main Street East, Hamilton, Ontario.

ON READING the Affidavit of Yoan Bouchard affirmed April 10, 2025 and the Exhibits to it, and on hearing the submissions of counsel for the Applicant, the Respondent, Alf K. Storck appearing and making submissions for himself and on behalf of the Borrower, and no one else appearing for the parties listed on the Service List although duly served as appears from the affidavits of service, filed, and on reading the Consent of AGI to act as the Receiver, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is abridged and validated so that this application is properly returnable today and dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, AGI is appointed Receiver, without security, over all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to, all of the Debtor's right, title and interest in and to the Property including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such

monies, including, without limitation, to enforce any security held by the Debtor and collect on all accounts at deposit-taking institutions such as the accounts in the name of the Debtor at any financial institution;

- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required,

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a Purchaser or Purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to make an assignment in bankruptcy on behalf of the Debtor, to consent on behalf of the Debtor to the making of a bankruptcy order against the Debtor, and for AGI to act as the licensed insolvency trustee of the Debtor;
- (q) to enter into agreements with any licensed insolvency trustee appointed in respect of the Debtor (if not AGI), including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any Property owned or leased by the Debtor;
- (r) to apply for any permits, licenses, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** any and all financial institutions, banks, and their affiliates, shall produce to the Receiver any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Debtor's records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal property" about third parties as defined in the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended.

8. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased

premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

9. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the

BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as

may be agreed upon by the Supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND CASL

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective Purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The Purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

17. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of cause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

19. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program*

Act. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Ontario Superior Court of Justice.

22. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. **THIS COURT ORDERS** that the Receiver be at liberty and it is empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

26. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all

Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

27. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://www.albertgelman.com/filedocuments/>.

28. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission

shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

29. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder on five (5) business days notice.

30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a licensed insolvency trustee in the bankruptcy of the Debtor.

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

35. **THIS COURT ORDERS** that this Order and all of its provisions shall take effect as of 12:01 am on the date of this Order and shall be immediately enforceable without the need for further entry or filing notwithstanding Rule 59.05. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or application for leave to appeal is brought to an appellate court.

Date of issuance THURSDAY, MAY 1, 2025
(to be completed by registrar)



(Signature of judge, officer or registrar)

JUSTICE A.J. GOODMAN.

ISSUED AND ENTERED ELECTRONICALLY

Lindsay T Old Digitally signed by Lindsay T Old
Date: 2025.05.01 14:11:08 -04'00'

Local Registrar
45 Main St. E.
Hamilton, ON L8N 2B7

SCHEDULE "A"

Legal description of the Property:

1. PT LT 10 W/S KING ST PL 306 BEING PT 1 51R7131; TOWN OF MIDLAND, being PIN 58465-0122 LT and municipally known as 268 King Street, Midland, Ontario

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that Albert Gelman Inc., the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of 2416946 Ontario Ltd. ("**241**") (the "**Borrower**" or the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor regarding the Property, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the 1st day of May, 2025 (the "**Order**") made in an application having Court File Number CV-25-00089766-0000, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] / [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority

of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____, day of _____, 20____.

Albert Gelman Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant

- and -

2416946 ONTARIO LTD. and ALF K. STORCK

Respondents

Court File No. CV-25-00089766-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
HAMILTON

APPOINTMENT ORDER

GOWLING WLG (CANADA) LLP

Barristers & Solicitors
One Main Street West
Hamilton, ON L8P 4Z5

Tel: 905-540-8208

Bart Sarsh (LSO No. 59208N)

Tel: 905-540-3242

Bart.Sarsh@gowlingwlg.com

Lawyers for the Applicant

File Number: G10029730

APPENDIX B

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant

and

2416946 ONTARIO LTD. and ALF K. STORCK

Respondents

APPLICATION UNDER SECTION 243(1) OF *THE BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED; AND SECTION 101 OF *THE COURTS OF JUSTICE ACT*, R.S.O. 1990, C.C.43, AS AMENDED

**AFFIDAVIT OF YOAN BOUCHARD
(Affirmed April 10, 2025)**

I, Yoan Bouchard, of the City of Saguenay, in the Province of Québec, AFFIRM:

1. I am an Account Director (*Directeur de comptes*) at the Special Loans (*Prêts spéciaux*) department for Desjardins Group (*Mouvement Desjardins*) and I am representing Caisse Desjardins Ontario Credit Union Inc. (the “**Caisse**” or the “**Lender**”), the Applicant in this proceeding. I have personal knowledge of the matters contained in this affidavit, except where I refer to matters based on information and belief, in which case I state the source of that information or belief, and believe it to be true.

2. I make this affidavit in support of the Caisse’s application for an order (the “**Appointment Order**”), among other things, appointing Albert Gelman Inc. (“**AGI**”) as receiver and manager (in such capacity, the “**Receiver**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the “**BIA**”) and section 101 of the

Courts of Justice Act, R.S.O. 1990, c. C.43 (the “**CJA**”) without security, over all of the property, assets and undertaking of 2416946 Ontario Ltd. (“**241**” or the “**Debtor**”) acquired for, or used in relation to, all of the Debtor’s right, title and interest in and to the property including leases described in Schedule “A” to the Appointment Order and including all proceeds (the “**Property**”).

I. **THE PARTIES**

3. The Caisse is a credit union established under the *Credit Unions and Caisses Populaires Act*, 1994, S.O. 1994, c. 11.

4. 241 is a company that holds a mixed residential-commercial property and rents it out. 241 was incorporated pursuant to the laws of Ontario, with a registered office in the Township of Tiny, Ontario. Attached as Exhibit “1” is a true copy of the Corporate Profile of 241, obtained from the provincial ministry with a file currency date of March 28, 2025.

5. Alf K. Storck (“**Storck**”) is an officer and director of 241 holding the positions of president, secretary and treasurer. Storck provided a limited personal guarantee of certain loans, described below (a “**Guarantor**”), issued by the Caisse to 241.

6. Storck is named in the Application to facilitate co-operation with the Receiver, once appointed.

II. LOAN NO. 723961-PR-1 re 268 King Street, Midland, Ontario

7. The Caisse (as lender), 241 (as borrower), and Storck (as guarantor) entered into a Loan Agreement on July 6, 2021 (the "**Loan Agreement**"). Attached as Exhibit "2" is a true copy of the Loan Agreement.

8. Pursuant to the Loan Agreement, the Caisse advanced a loan in the total principal amount of \$435,000.00, for a term of twelve (12) months, from the date of disbursement together with variable interest at prime rate increased by 1.150% per annum and calculated monthly and not in advance. The loan was disbursed on July 12, 2021.

Security

9. The Caisse holds security against 241 as follows:

(a) a Charge/Mortgage registered on July 12, 2021 as Instrument No. SC1803149 over lands municipally known as 268 King Street, Midland, Ontario (the "**Collateral Mortgage**"). Attached as Exhibit "3" is a true copy of the registered Collateral Mortgage;

(b) an Assignment of Rents in respect of 268 King Street, Midland, Ontario dated July 6, 2021 (the "**Assignment of Rents**"). Attached as Exhibit "4" is a true copy of the Assignment of Rents. The Assignment of Rents was registered as Instrument No. SC1803150 on July 12, 2021. Attached as Exhibit "5" is a true copy of the Notice of Assignment of Rents-General.

10. Attached as Exhibit "6" is a true copy of the parcel register for 268 King Street, Midland, Ontario with a currency date of March 28, 2025.

11. The personal property security of the Caisse was registered on July 12, 2021 against 241 as related to the applicable personal property of 241 in the provincial registry maintained under the *Personal Property Security Act (Ontario)*, R.S.O. 1990, c P.10 (the "**PPSA**") under File No. 774338391 and Registration No. 20210712 1655 1590 7252 with respect to the Assignment of Rents. Attached as Exhibit "7" is a true copy of the PPSA registry search against 241, with a file currency date of April 1, 2025.

The Guarantee

12. Storck provided a personal guarantee in favour of the Caisse for \$435,000.00 together with all fees and interest in respect of all indebtedness, liabilities and obligations of 241 (the "**Guarantee**"). Attached as Exhibit "8" is a true copy of the Guarantee signed by Storck on July 6, 2021.

Loan Amendments / Renewals

13. In July 2022, the loan was renewed for an additional twelve (12) month term. The terms of the loan remained the same with the exception that interest would be at the prime rate increased by 1.300% per annum and calculated monthly and not in advance. Attached as Exhibit "9" is a true copy of the Term Loan or Fraction of a Split Term Loan Amendment or Renewal Agreement signed by Storck on July 12, 2022.

14. In July 2023, the loan was again renewed for an additional twelve (12) month term. The terms of the loan remained the same with the exception that interest would be at a

fixed rate of 7.700% per annum and calculated monthly and not in advance. Attached as Exhibit "10" is a true copy of the Term Loan of Fraction or a Split Term Loan Amendment or Renewal Agreement signed by Storck on July 25, 2023.

15. The loan was further renewed effective July 8, 2024 for an additional three (3) year term. The terms of the loan remained the same with the exception that interest rate would be 6.550% per annum and calculated monthly and not in advance. Attached as Exhibit "11" is a true copy of a letter dated August 7, 2024 from Caisse to 241 enclosing the Loan Amendment or Renewal Agreement effective July 8, 2024.

III. DEFAULTS, DEMANDS, AND NOTICES OF INTENTION TO ENFORCE

16. Numerous events of default under the Collateral Mortgage have occurred.

17. 241's defaults are existing and continuing, including, but not limited to the defaults described below:

- (a) 241 has failed to make prompt payment of the amounts due under the Collateral Mortgage. Attached as Exhibit "12" is a true copy of a letter dated January 31, 2025 from Caisse to 241 in which it indicates that the loan was 84 days overdue and in arrears of \$12,643.64;
- (b) 241 has failed to make prompt payment of property taxes. Attached as Exhibit "13" is a true copy of Tax Certificate dated March 27, 2025 from the Town of Midland which indicates that property taxes are in arrears of \$22,811.54;

- (c) 241 obtained secondary financing on 268 King Street, Midland, Ontario without the consent of the Caisse and this is contrary to paragraph 6 of the Loan Agreement. Attached as Exhibit "14" is a true copy of the Charge/Mortgage registered in second priority on December 30, 2022 as Instrument No. SC1955169 in favour of Sagewise Capital Corporation ("**Sagewise**") for the principal sum of \$60,000.00. Attached as Exhibit "15" is a true copy of the Notice of Assignment of Rents registered on December 30, 2022 as Instrument No. SC1955170 in favour of Sagewise. A Notice appending a Mortgage Amending Agreement was registered on July 5, 2023 as Instrument No. SC1991516 in which the terms of the Sagewise mortgage were amended including an increase of the principal amount from \$60,000.00 to \$120,000.00. Attached as Exhibit "16" is a true copy of the Notice;
- (d) 241 is the subject of power of sale proceedings against it by Sagewise as second mortgagee and this is an event default under paragraph 12(iii) of the Loan Agreement. Attached as Exhibit "17" is a true copy of the Notice of Sale under Mortgage by Sagewise dated February 7, 2025.

18. On March 7, 2025, Gowling WLG (Canada) LLP ("**Gowlings**") acting on behalf of the Caisse issued the following to 241 and Storck as the Guarantor:

- (a) A demand for payment (the "**Demand Letter**") of the total indebtedness owing as of March 6, 2025 plus interest and legal costs to the Caisse as set out in Schedule "B" to the Demand Letter by the deadline of March 17, 2025; and

- (b) a Notice of Intention to Enforce Security on the property of 241 pursuant to section 244(1) of the BIA (the “**BIA 244 Notice**”).

Attached as Exhibit “18” is a true copy of the Demand Letter and BIA 244 Notice along with the covering email and Canada Post registered mail trackings.

IV. CORRESPONDENCE WITH STORCK

19. On March 17, 2025, Storck emailed Kayla Drouin (legal assistant at Gowlings) acknowledging receipt of the March 7, 2025 email attaching the Demand Letter and BIA 244 Notice.

20. Storck indicated that the building is listed for sale and there is a party that wants to purchase the building, and he requested an extension of the deadline for court proceedings for another three weeks.

21. Bart Sarsh (the Caisse’s legal counsel at Gowlings) requested a copy of the listing agreement, any offer to purchase and information regarding the commercial and residential tenants.

22. Storck provided a copy of the listing agreement and advised that the building is fully rented. He also advised that the interested buyer had required some more detailed information which was provided and the interested buyer had viewed the building and was doing its due diligence.

23. Storck provided copies of the leases 241 has with its tenants on March 17, 2024 at 2:04 p.m. Storck emailed again at 2:08 p.m. to advise that he did not have a written

purchase agreement as of yet. Attached as Exhibit "19" is a true copy of the March 7, 2025 to March 17, 2025 email exchanges.

24. On April 4, 2025, Mr. Sarsh wrote to Storck to request an update on the status of the due diligence by the potential buyer and to obtain a copy of the 2025 interim property tax statement. On April 7, 2025 Storck responded that, "[T]he interested party is slow, they say they are ok with the building and are working on something on their side. Due to this delay we decreased the asking price on the listing by \$50,000 to generate more interest." Attached as Exhibit "20" is a true copy of the April 4-7, 2024 email exchange.

25. As of the signing of this affidavit, there has been no further communication between the parties and/or Gowlings.

V. SAGEWISE SUPPORTS THE RECEIVER'S APPOINTMENT

26. On March 25, 2025, Mr. Sarsh wrote to counsel for Sagewise to confirm that the Caisse agrees to AGI as the proposed court-appointed receiver to accommodate Sagewise's concerns about maximizing recovery and keeping professional fees to reasonable levels. Attached as Exhibit "21" is a true copy of the March 25, 2025 email.

VI. NEED FOR A RECEIVER

27. As of March 6, 2025, the aggregate indebtedness of 241 due and owing to the Caisse was \$419,287.95 in addition to ongoing accrual of interest as set out in the Loan Agreement or Amendment excluding professional fees, disbursements and HST (the "Indebtedness").

28. As indicated above, certain events of default have occurred under the Collateral Mortgage, which are ongoing and outstanding.

29. 241 is not able to pay the Indebtedness owing on its respective loan and Sagewise (as the second mortgagee) has commenced power of sale proceedings and the redemption period has expired.

30. The statutory notice period provided for under the Demand Letter and BIA 244 Notice has expired.

31. The Caisse has lost confidence in the management of 241 for all of the reasons detailed in this affidavit.

32. 241 does not have the ability to fund ongoing mortgage or property tax payments and this is eroding the value of the Caisse's security position due to the accrual of the Indebtedness without meaningful repayment of the loans.

33. The Caisse has suffered and is expected to continue to suffer substantial prejudice as a result of 241's failure to properly operate the Business. The appointment of the Receiver is necessary to preserve the value of the Property and the Caisse's collateral.

34. Upon appointment, the Receiver will assess the state of 241 and determine a strategy for recovery of the assets for the benefit of all stakeholders, including communicating directly with all affected parties.

35. Paragraph 38 of the Caisse's Standard Charge Terms filed as number 201909 provides for the appointment of a Receiver:

38. RECEIVERSHIP OF MEMBER

Notwithstanding anything in this Charge, upon default of any of these provisions, the Financial Institution may, with or without entry into possession of the Lands, by instrument in writing appoint any person, whether an officer or an employee of the Financial Institution or not, to be a receiver of the Lands, and of the rents and profits with or without security, and may by similar writing remove any receiver and appoint another in its place and in making any such appointment or removal, the Financial Institution shall be deemed to be acting as the agent or attorney for the Member, but no such appointment shall be revocable by the Member. Upon the appointment of any such receiver the following provisions shall apply:

- (a) Every such receiver shall have unlimited access to the Lands as agent and attorney for the Member (which right of access shall not be revocable by the Member) and shall have full power and unlimited authority to:
 - (i) collect the rents and profits from tenancies or operation of the Lands whether created before or after the Charge;
 - (ii) rent or operate any portion of the Lands which may become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (iii) complete the construction of any building or other erections or improvements on the Lands left by the Member in an unfinished state or award the same to others to complete and purchase, repair and/or maintain any personal property including, without limitation, appliances and equipment necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Member's materials, supplies, plans, tools, appliances, equipment and property of every kind and description;
 - (iv) manage, operate, repair, alter or extend the Lands or any part thereof.

The Member undertakes to ratify and confirm whatever any such receiver or agent may do.

- (b) The Financial Institution may in its sole discretion vest the receiver with all or any of the rights and powers of the Financial Institution.
- (c) The Financial Institution may fix the reasonable remuneration of the receiver who shall be entitled to deduct same out of the revenue or the safe proceeds of the Lands.
- (d) Every such receiver shall be deemed the agent or attorney of the Member and not, in any event, the agent of the Financial Institution. The Financial Institution shall not be responsible for the receiver's acts or omissions.
- (e) The appointment of any such receiver by the Financial Institution shall not result in or create any liability or obligation on the part of the Financial Institution to the receiver or to the Member or to any other person, and no appointment or removal of a receiver and no actions of a receiver shall constitute the Financial Institution a chargee in possession of the Lands.
- (f) No such receiver shall be liable to the Member to account for monies other than monies actually received by him in respect of the Lands, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:
 - (i) the receiver's remuneration as aforesaid;
 - (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of his or her remedies, rights and powers available at law and authority hereby conferred;
 - (iii) interest, Principal and other money which may be or become Charged upon the Lands in priority to the Charge, including taxes;
 - (iv) to the Financial Institution all interest, Principal and other amounts due under the Charge to be paid in such order as the Financial Institution in its sole discretion shall determine;

Thereafter, every such receiver shall be accountable to the Member for any surplus.

The remuneration and expenses of the receiver shall be paid by the Member on demand and shall be a charge on the Lands and shall bear interest from the date of demand at the same Rate as applies to the Principal Amount secured by this Charge.

- (g) Save as to claims for accounting under sub-paragraph (f) of this paragraph, the Member hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not which arise or be caused to the Member or any person claiming through or under him or her by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.
- (h) The Financial Institution may, at any time, terminate any such receivership by notice in writing to the Member and to any such receiver.
- (i) The statutory declaration of an officer of the Financial Institution as to default under the provisions of the Charge and as to the due appointment of the receiver pursuant to the terms of this Charge shall be sufficient proof, as regards to such default and appointment.
- (j) The rights and powers conferred in respect of the receiver are supplemental to and not in substitution of any other remedies, rights and powers available at law which the Financial Institution may have.

Attached as Exhibit "22" is a copy of the Standard Charge Terms.

36. If this Honourable Court sees fits to make such an appointment, AGI has consented to act as Receiver. AGI is a licensed insolvency trustee and has significant experience in mandates of this nature. Attached as Exhibit "23" is a true copy of AGI's consent to act.

37. I make this affidavit in support of the relief sought in the Notice of Application.

AFFIRMED by Yoan Bouchard, of the City)
of Saguenay, in the Province of Quebec,)
before me at the City of Hamilton, in the)
Province of Ontario, on April 10, 2025 in)
accordance with O. Reg. 431/20,)
Administering Oath or Declaration)
Remotely.)

Signed by:
Joannah Johnson
F8E504BD9DFF453...

A Commissioner, etc.

Joannah Johnson (LSO No. 267913)

Signé par :
Yoan Bouchard
735214C55AFC470...

YOAN BOUCHARD

APPENDIX C



Statement of Account

For the purpose of full reimbursement

To: Lawyer Bart Sarsh
De: Desjardins Ontario Credit Union
Subject: 2416946 ONTARIO LTD.
V/D
N/D 829-00303-723961

Statement of Account as of: **18 mars 2026**

PR-1 Term Loan for Businesses

Principal Balance	405 171,42 \$
Late Interest	42 655,92 \$
Current Interest	725,76 \$
Daily Interest:	\$80,44
Total	448 553,10 \$

Legal Fees

Trustee Fees 74 436,81 \$

Penalty 20 870,36 \$

Special Loans Management Fees 2 000,00 \$

TOTAL DUE 545 860,27 \$

Yoan Bouchard, Account Manager
Document certified as a true copy of the original

From this day, a daily interest amount of \$80,44
for the loan will be added until the full payment date.

Upon receipt, within ten business days, of the total amount mentioned above as
well as the accruing interest, our caisse commits, if the payment is honored,
to sign the partial or full release project that you will submit to us within 45 days of its receipt.

**IMPORTANT*: The check must be made payable to
Desjardins Ontario Credit Union
but sent to the address of:
Special Loans Management Fees
150, des Commandeurs, 14e Étage (LEV150-14-B)
Lévis (Québec), G6V 8M6
Attention: Yoan Bouchard Phone : 418-835-8444 #5465491**

APPENDIX D



SAGEWISE CAPITAL CORPORATION

Administrator License #12709 | Brokerage License #13150

March 19, 2026

Mortgage Payout Statement

Attn:	Wendy Greenspoon
Borrower Name:	2416946 ONTARIO LTD - Alf Storck
Borrower Name:	
Borrower Name:	
Charge Priority:	2 nd Mortgage Position Rate: 16.99%
Property Address:	268 King Street, Midland, Ontario, L4R3M3

The mortgage loan for the subject property matured on August 31, 2025. However, the borrower is currently in default on the monthly interest payments.

The outstanding principal balance, along with other charges required to pay off the loan are outlined below:

Description	Amount, \$
Outstanding Principal	\$120,000.00
Renewal Fee – December 2023	\$4,800.00
Renewal Fee – October 2024	\$9,564.34
Missed interest for July 2024	\$1,330.17
Missed interest for August 2024	\$1,330.17
Missed interest for September 2024	\$1,330.17
Missed interest for October 2024	\$1,330.17
Missed interest for November 2024	\$1,984.30
Missed interest for December 2024	\$2,030.13
Missed interest for January 2025	\$2,059.03
Missed interest for February 2025	\$2,093.38
Missed interest for March 2025	\$2,119.36
Missed interest for April 2025	\$2,184.47
Missed interest for May 2025	\$2,240.44
Missed interest for June 2025	\$2,246.12
Missed interest for July 2025	\$2,305.36
Missed interest for August 2025	\$2,350.26
Missed interest for September 2025	\$2,355.02
Missed interest for October 2025	\$2,383.26
Missed interest for November 2025	\$2,420.86
Missed Interest for December 2025	\$2,590.07
Missed interest for January 2026	\$2,628.60
Missed interest for February 2026	\$2,637.83

Interest payable March 1 – 20 ,2026	\$1790.83
Return Interest Fee	\$475.00
NSF Fee for June 2024 – February 2026	\$6,300.00
Re-debit Processing Fee	\$285.00
Legal Fee _ Garfinkle Biderman LLP	\$8991.16
Mortgage Statement Fee	\$100.00
Discharge Administration fee + HST	\$495.00
Total Due	<u>\$192,510.06</u>

Per Diem **\$89.54**

Please note:

- a. The total amount due upon payout is payable to Sagewise Capital Corp. by certified cheque, direct deposit, or its solicitor in Trust.
- b. The total amount is calculated up to March 20, 2026.
- c. Solicitor fees are to be paid by the client.

With Kind Regards,

Sagewise Capital Corporation
Administration Department

APPENDIX E

TL SMITH APPRAISALS

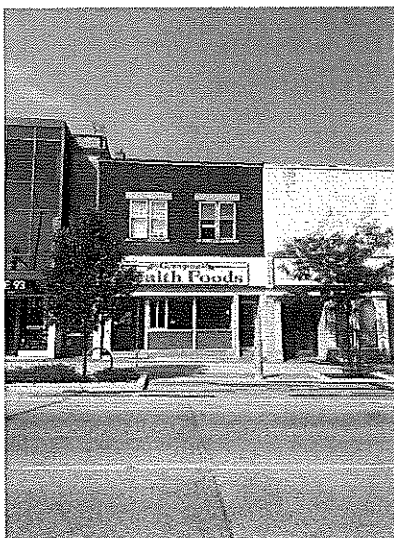
tlsmith121861@yahoo.com

Tracey Smith, P.App; AACI +1 416-220-1842

COMPREHENSIVE APPRAISAL

OF A

COMMERCIAL PROPERTY



LOCATED AT

268 KING ST
TOWN OF MIDLAND,
PROVINCE OF ONTARIO

AUTHORIZED USER

ALBERT GELMAN INC. AND THE ONTARIO SUPERIOR COURT OF JUSTICE

EFFECTIVE DATE

MAY 12, 2025

PART 1: LETTER OF TRANSMITTAL

TL SMITH APPRAISALS**tsmith121861@yahoo.com****Tracey Smith, P.App; AACI +1 416-220-1842****July 3, 2025**

Authorized User: Albert Gelman Inc. and the Ontario Superior Court of Justice
Address Of Property: 268 King St, Midland
Authorized Client: Mr. Chris Rowe

Market Value: **Dear Mr. Rowe****RE: Valuation of a commercial building located at 268 King St, Town of Midland**

At the request of our client, I am forwarding the enclosed *Comprehensive Appraisal Report* which comprises my valuation of the above described property. The purpose of this report is to estimate the current market value of the subject property. The property rights appraised are those of the Leased Fee interest, and the effective date of my valuation is May 12, 2025, the date of my inspection. The purpose is to estimate the current market value of the subject property and the authorized use of the appraisal is to assist with setting a sale price on the subject property as part of a receivership process and for the Ontario Superior Court of Justice to rely on when making a determination as to whether to approve a sale transaction. Void if used for any other purpose.

No person or party other than the authorized user specifically identified herein can rely on this report without first obtaining written authorization from the author of this report. Such authorization is at the discretion of the author and may only be issued with permission from the client of this report. The report is prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). This letter must be read together with the below-referenced report, with authorized signatures and attachments including all assumptions, limiting conditions and extraordinary items.

Albert Gelman Inc. and the Ontario Superior Court of Justice agrees that any reliance by *same* on the above-referenced report, is conditional on *Albert Gelman Inc. and the Ontario Superior Court of Justice* agreeing to be bound by all assumptions, limiting conditions and extraordinary items included in the above-referenced report and this reliance letter.

The site is located at 268 King St, Town of Midland and is improved with a 3,612 sf, 2 storey commercial building that consisted of one commercial unit on the ground floor and two residential units above.

The following appraisal report contains my estimate of market value of the above described property. In my opinion, the estimated current market value of the subject property effective date May 12, 2025 is:



The following report contains the data, analysis and conclusions supporting the valuation. I trust you will find this report satisfactory and that it fulfills its intended purpose.

Respectfully submitted,

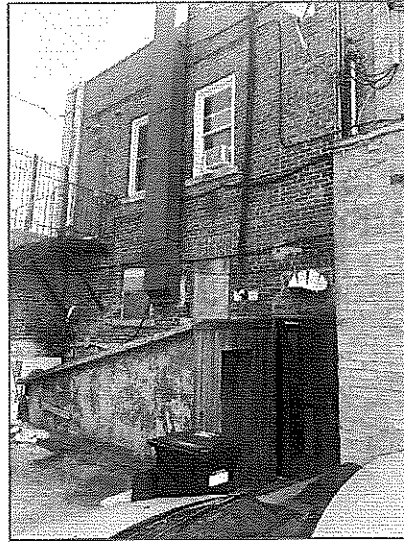
A handwritten signature in cursive script, appearing to read "Tracey Smith".

Tracey Smith, BA, AACI, P. App.

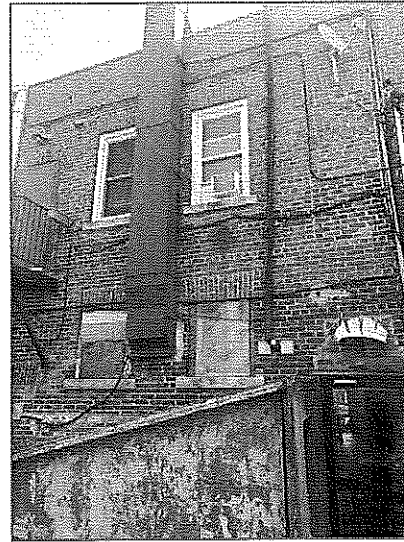
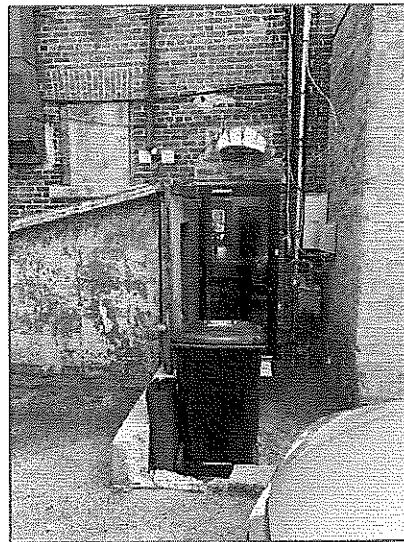
A handwritten signature in cursive script, appearing to read "Y. Belzberg".

Yehuda Belzberg Candidate Appraiser

**Photographs of the Subject
Front & Rear Views**



Rear Views



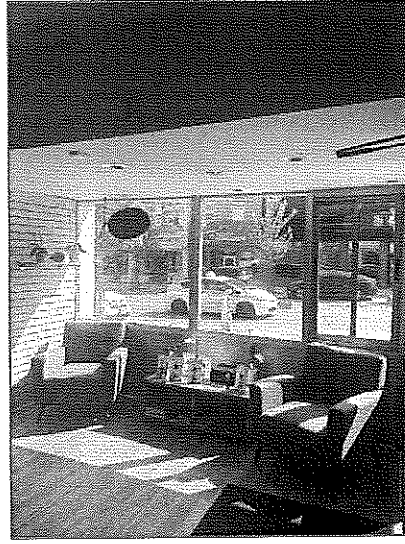
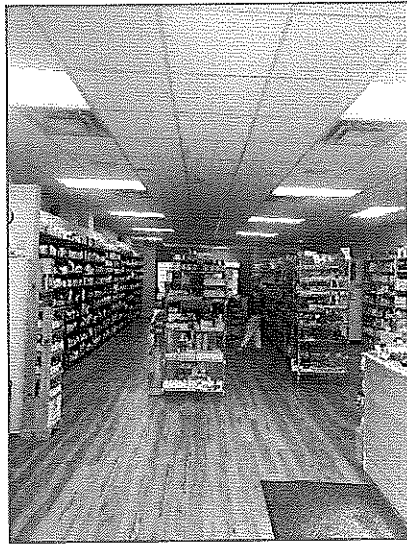
**Photographs of the Subject
Street Views**



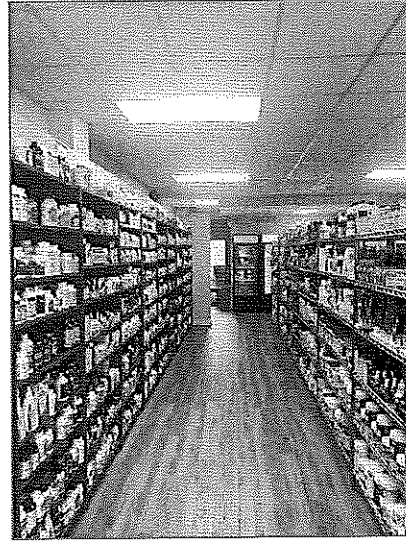
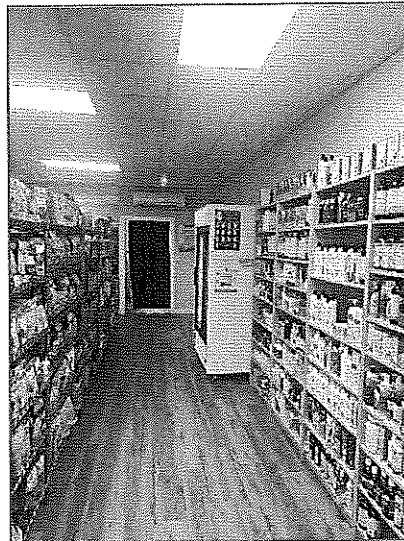
Front Entrance to Main Level and Entrance to 2nd Floor



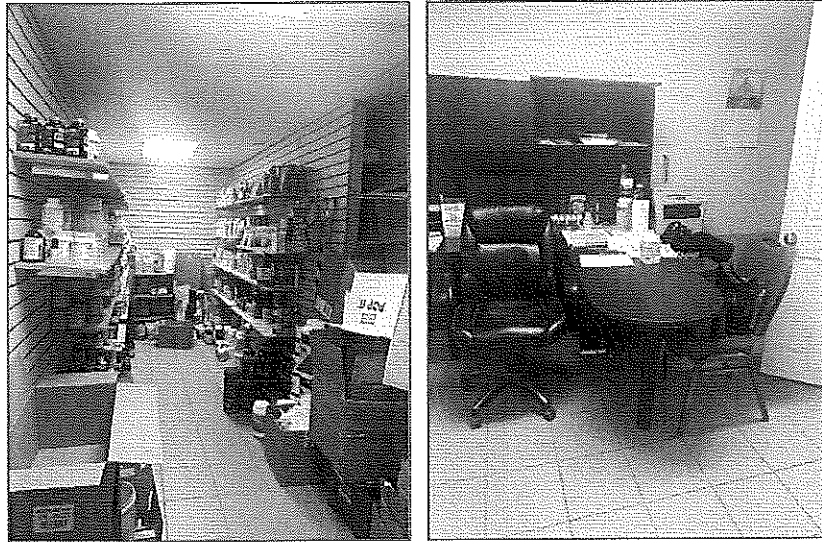
**Photographs of the Subject
Commercial/Retail Area**



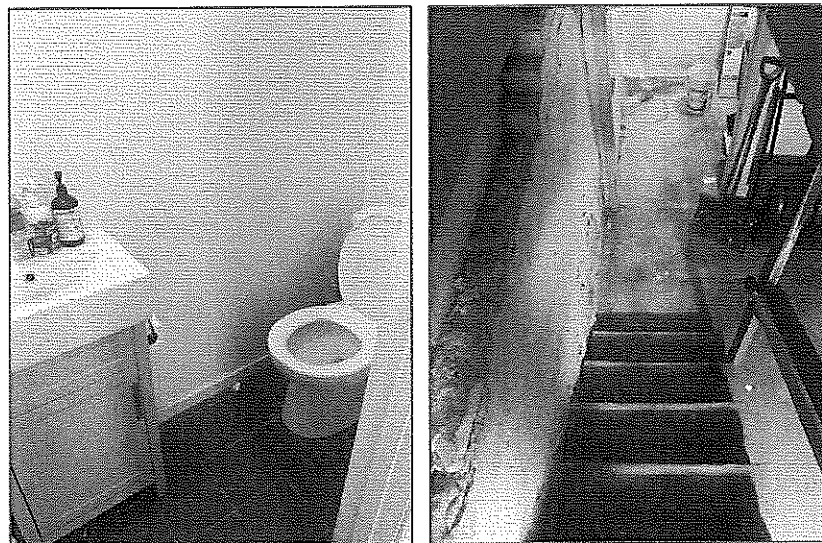
Commercial/Retail Area



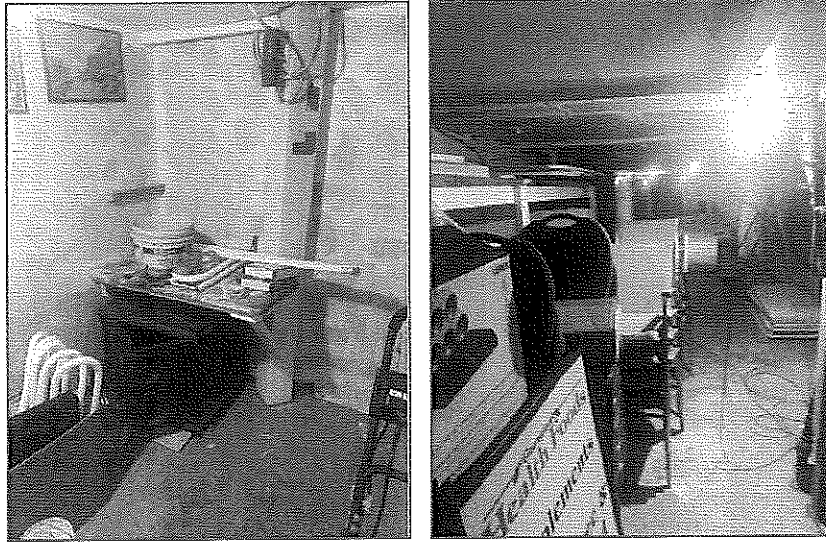
**Photographs of the Subject
Storage Closet & Office**



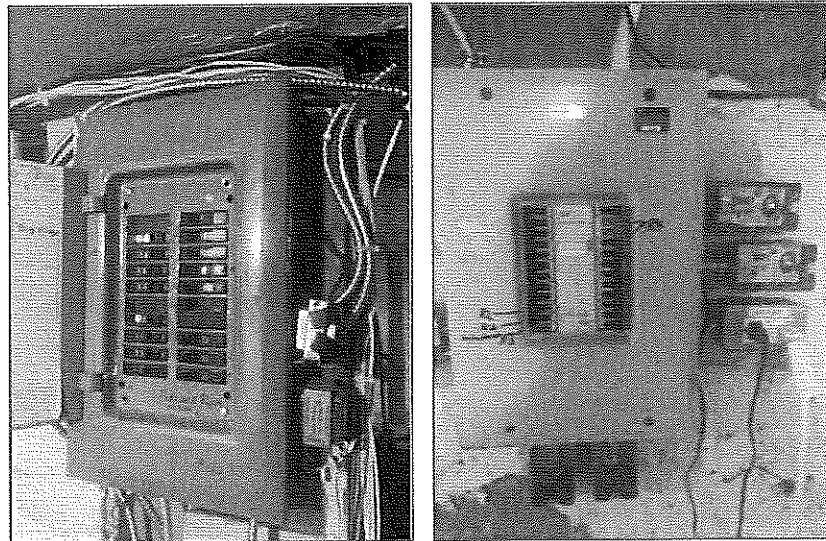
Washroom & Stairs to Basement



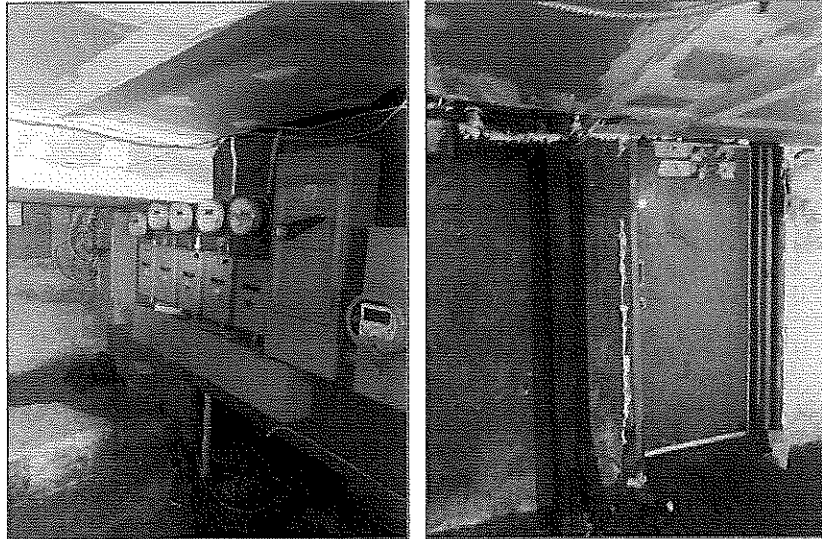
**Photographs of the Subject
Basement**



Basement



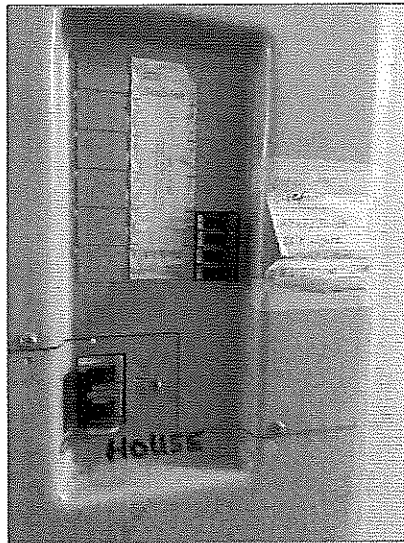
**Photographs of the Subject
Basement & Rear Door**



Basement



**Photographs of the Subject
2nd Floor Stairs**



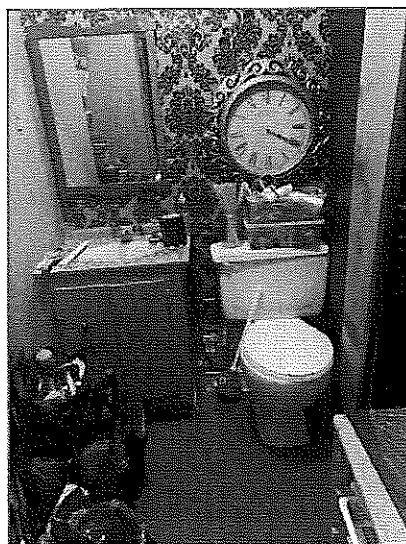
Apartment 4



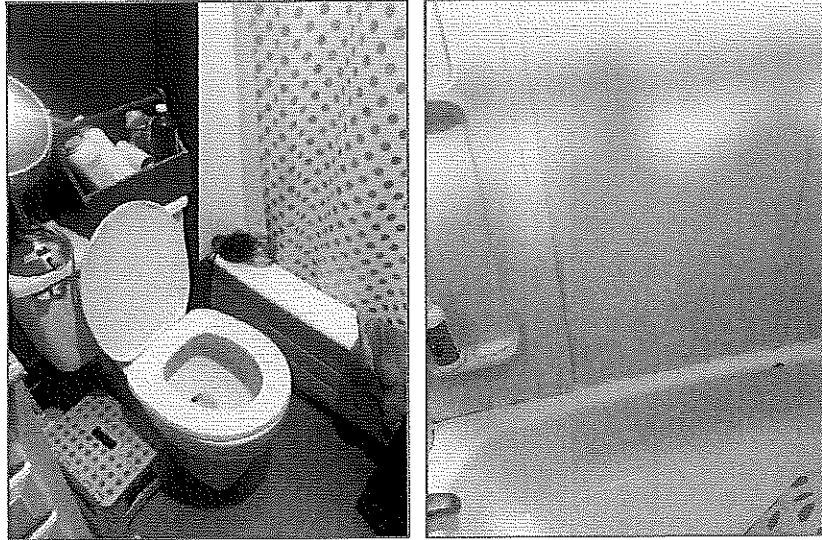
**Photographs of the Subject
2nd Floor Apartment Bedroom and Hallway**



Washrooms



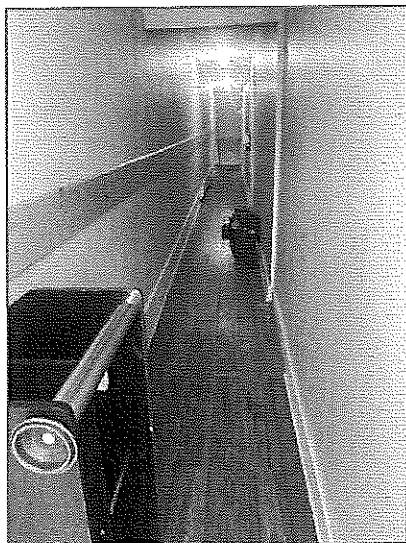
**Photographs of the Subject
Washrooms**



Bedroom



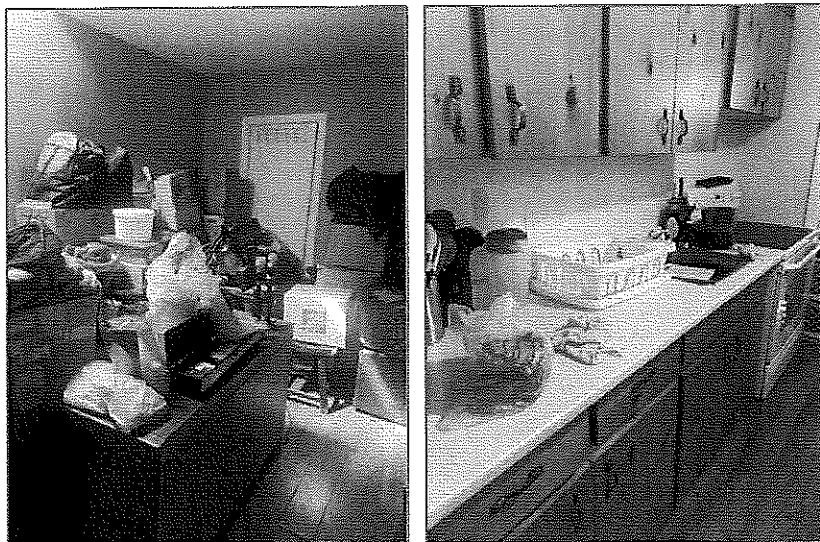
**Photographs of the Subject
2nd Floor Apartment Hallway & Rear Door**



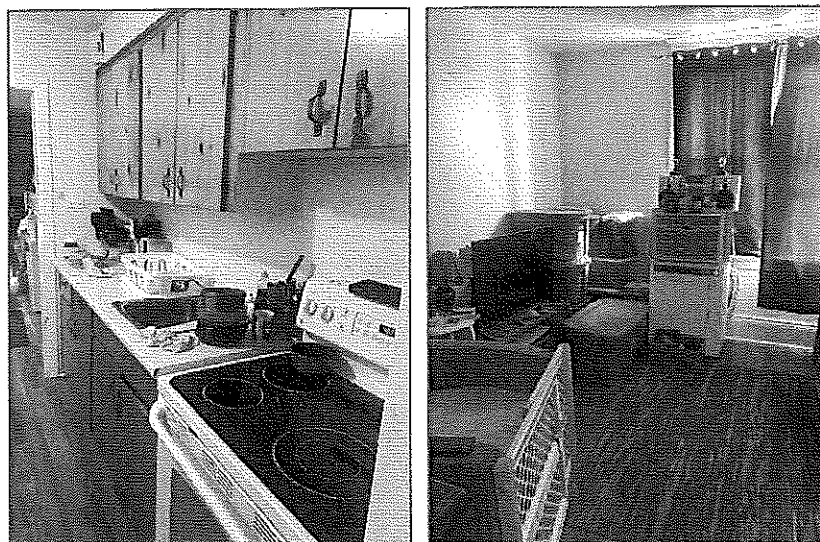
Fire Escape



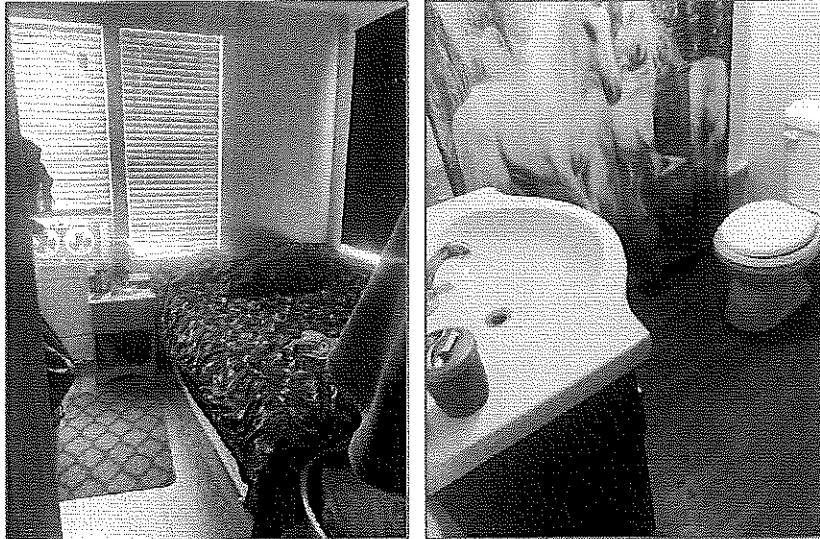
**Photographs of the Subject
Bedroom & Kitchen**



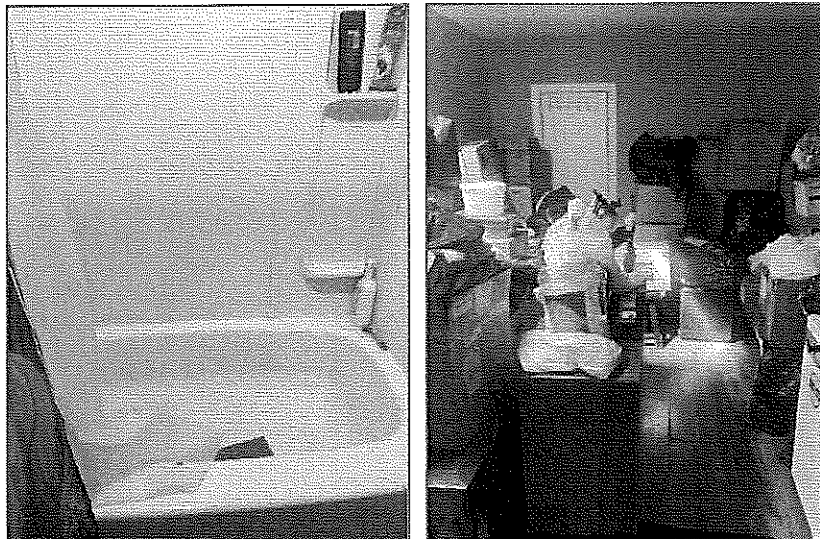
Kitchen & Living Area



**Photographs of the Subject
Washroom & Bedroom**



Washroom & Bedroom



**Photographs of the Subject
Washroom**



TABLE OF CONTENTS

PART I	
LETTER OF TRANSMITTAL.....	2
TABLE OF CONTENTS	18
SUMMARY OF SALIENT FACTS	19
PART II	
PURPOSE OF THE APPRAISAL	21
LOCATION.....	26
LAND USE CONTROLS	36
DESCRIPTION OF THE SITE.....	42
DESCRIPTION OF IMPROVEMENTS.....	43
HIGHEST AND BEST USE.....	45
PART III	
VALUATION TECHNIQUE.....	46
INCOME APPROACH.....	47
DIRECT MARKET COMPARISON APPROACH.	52
RECONCILIATION AND FINAL ESTIMATE OF VALUE.....	62
UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS	63
CERTIFICATION.....	66

SUMMARY OF SALIENT FACTS

LOCATION OF PROPERTY:	268 King St, Town of Midland, Province of Ontario
LEGAL DESCRIPTION:	Pt Lt 10 W/S King St Pl 306 Being Pt 1 51r7131 Town Of Midland
PIN:	584650122
REGISTERED OWNERS:	2416946 Ontario Ltd.
DATE OF INSPECTION:	May 12, 2025
EFFECTIVE DATE OF APPRAISAL:	May 12, 2025
SUBJECT SITE DIMENSIONS AREA:	24' x 111', Total Area: 2,519 sf. See aerial view for details.
IMPROVEMENTS:	3,612 sf 2 storey commercial building
PURPOSE OF THE APPRAISAL:	To estimate the current market value of the subject property as of the effective date of this appraisal.
AUTHORIZED USE OF APPRAISAL:	To assist with setting a sale price on the subject property as part of a receivership process and for the Ontario Superior Court of Justice to rely on when making a determination as to whether to approve a sale transaction. Void if used for any other purpose.
PROPERTY RIGHTS APPRAISED:	Leased Fee interest
TOWN OF MIDLAND ZONING:	DC: Downtown Core
HIGHEST AND BEST USE:	Current Use

VALUATION

Direct Comparison Approach
Income Approach – *Direct Capitalization*
Final Estimate of Value



PART II

FACTUAL DATA

PURPOSE OF THE APPRAISAL

Report Format

The Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) necessitates that an appraisal report be identified as one of the following types of reports:

Current – Refers to an appraisal where the effective date of the report is simultaneous with the date the report was prepared or inspected, where market conditions have not changed materially between the dates.

Retrospective – Refers to an appraisal where the effective date of the report precedes the inspection date or the date the report was prepared and whereby market conditions may be materially different in the time frame between these dates. In this type of appraisal the “retrospective” value is based on market conditions, perceptions and perspective that existed as of the effective date.

Prospective – Refers to an appraisal where the effective date of the report is after the inspection date or the date the report was prepared. In this type of appraisal the “prospective” value opinion is intended to reflect the projected market conditions to a future effective date.

Up-Date – Refers to an appraisal where the subject was previously appraised and has not undergone significant changes and/or the time between the effective date of the original appraisal and the up-date is not unreasonably long. It is an extension of a previously completed appraisal, updated to the effective date of the report and is intended for readers familiar with the original report of the subject property.

CUSPAP necessitates that an appraisal report be identified as one of the following types of reports which depends on the needs of the users and appraisers:

Comprehensive – comprehensive and detailed

Concise – concise and briefly descriptive

Form – a standard format combining check off boxes and short narrative comments.

The basic distinguishing difference between each different type of report is the level of detail of presentation.

Classification of the Appraisal

*This is a **Comprehensive Appraisal Report** which is **Current Valuation** intended to comply with the reporting requirements set forth by CUSPAP. As such, it presents a detailed discussion of the date, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the authorized use stated below. The appraiser is not responsible for unauthorized use of the report.*

Purpose of the Appraisal

The purpose of this appraisal is to estimate the current market value of a 3,612 sf, 2 storey commercial building situated on a 2,519 sf irregular shaped site, as of the date of the inspection, May 12, 2025.

Authorized Use of the Appraisal

The authorized use of the appraisal is to assist with setting a sale price on the subject property as part of a receivership process and for the Ontario Superior Court of Justice to rely on when making a determination as to whether to approve a sale transaction. Void if used for any other purpose.

Extraordinary Assumptions

An extraordinary assumption refers to any hypothesis - either fictitious or unconfirmed - which, if not true, could alter the appraiser's opinions or conclusions.

The appraiser measured the subject property and also relied on measurements from MPAC. It is assumed that these measurements are accurate and will be utilized in the report.

The appraiser was provided with income and expense information for the property that is assumed to be accurate and it was relied upon in this report.

If any of these assumptions are found to be inaccurate or incorrect then the value contained herein is subject to change and/or be VOID. .

There are no other extraordinary assumptions to the conclusions of this report.

Extraordinary Limiting Conditions

Extraordinary limiting condition refers to the necessary modification or exclusion of any Appraisal Standard Rule that is outlined in the Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

There are no extraordinary limiting conditions to the conclusions of this report.

Description of the Subject Property

The subject consists of a 2 storey improvement with one commercial unit on the ground floor and two residential units above. The total above grade size of the subject improvement is 3,612 sf.

Effective Date

The effective date of this appraisal is May 12, 2025.

Legal Description

Pt Lt 10 W/S King St Pl 306 Being Pt 1 51r7131 Town Of Midland.

Property Rights Appraised

The property rights appraised are those of the Leased Fee Interest, in the real estate comprising the property.

History of the Subject

Address: 268 King St, Town of Midland, Province of Ontario
Pin No: 584650122
Consideration on Record: \$252,249
Registration Date: 01/20/2015
Owner: 2416946 Ontario Ltd.

A search of TREB MLS indicates that the subject property has been listed for sale a number of times in the last 36 months. Below is a summary of all the listings found on MLS:

Property History				
View all listings				
Date	Event	Price	MLS#	Source
--	Listed for Sale	\$225,000 -25.00%	A22512 268 King St	PropTx Explain match
3/19/2025	Listed for Sale	\$899,990	S12028449 268 King St	PropTx Explain match
3/19/2025	Listed for Sale	\$899,990	S12028450 268 King St	PropTx Explain match
3/18/2025	Terminated	--	S11961808 268 King St	PropTx Explain match
3/18/2025	Terminated	--	S11961800 268 King St	PropTx Explain match
2/7/2025	Listed for Sale	\$949,900	S11961808 268 King St	PropTx Explain match
2/7/2025	Listed for Sale	\$949,900 +3.56%	S11961800 268 King St	PropTx Explain match
11/20/2024	Expired	\$899,900	S8304202 268 King St	PropTx Explain match
11/19/2024	Expired	\$899,900	S10439887 268 King St	PropTx Explain match
6/11/2024	Price Changed	\$899,900	S10439887 268 King St	PropTx Explain match
6/11/2024	Price Changed	\$699,900 -3.23%	S8304202 268 King St	PropTx Explain match
5/3/2024	Listed for Sale	\$929,900	S8304202 268 King St	PropTx Explain match
4/26/2024	Listed for Sale	\$929,900 +89.35%	S10439887 268 King St	PropTx Explain match

As can be seen it appears that subject property was listed for sale initially on 04/26/2024 for \$929,900. The price then appeared to change a number of times and the listings expired with the property then being relisted for sale. As of the effective date of this appraisal it appeared that the subject was being actively marketed for sale based on a listing from 03/19/2025 for \$899,900. The appraiser noted that the listing for \$225,000 was for the sale of the business operating out of the subject improvements. No other listings were found on TREB/MLS for the subject property in the last 36 months.

As per Geowarehouse the subject property was last registered on 01/20/2015 for a consideration of \$252,249. The appraiser has had no dealings with the subject property in the last 60 months.

Property Assessment

The subject property is assessed for 2025 municipal taxes as follows:

Address: 268 King St, Town of Midland, Province of Ontario
Assessed Value: \$271,000
Realty Taxes 2025: ~\$6,000 (as recent MLS listing)

Definition of Market Value

Market value, as defined by the Appraisal Institute of Canada, and as used in this Report is:

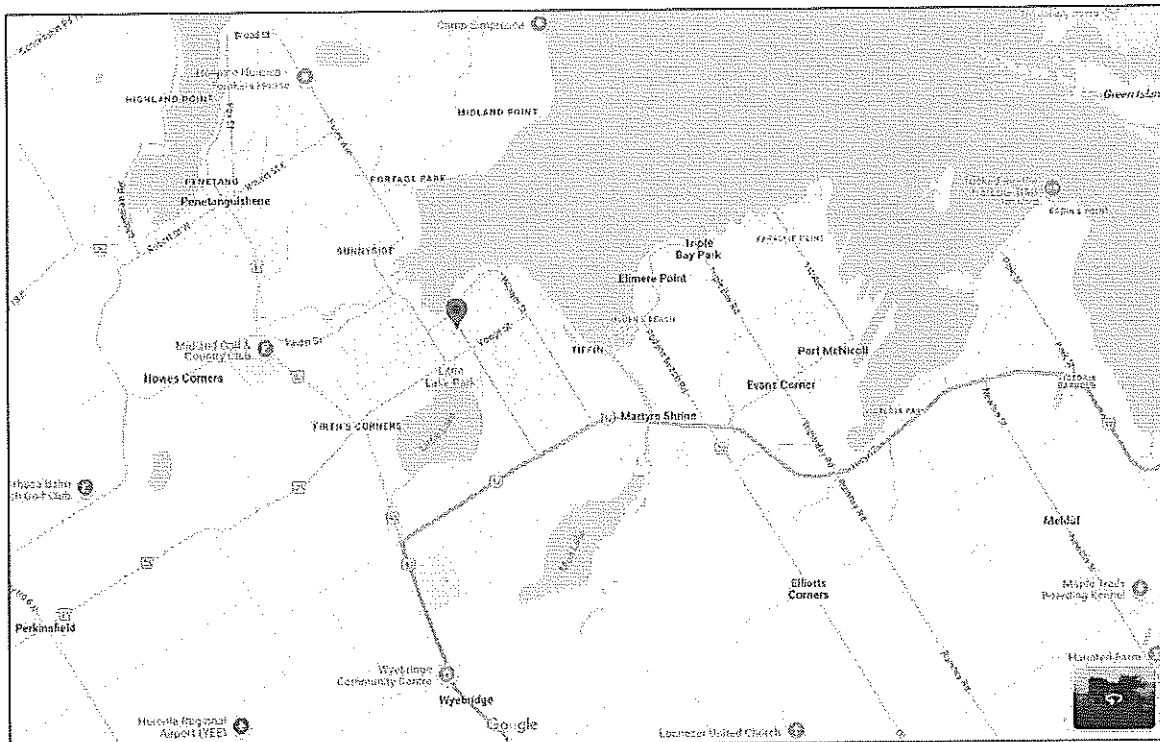
"The most probable price in terms of money at which a property should bring in a competitive and open market under all conditions requisite for a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by any undue stimuli.

Implicit in this definition are the consummation of a sale as of a specific date and the passage of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated.*
2. *Both parties are well informed or well advised, and are acting in what they consider their best interest.*
3. *A reasonable time is allowed for exposure in the open market.*
4. *Payment is made in terms of cash and Canadian dollars or in terms of financial arrangements comparable thereto, and*
5. *The price represents the normal consideration for the property sold, unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."*

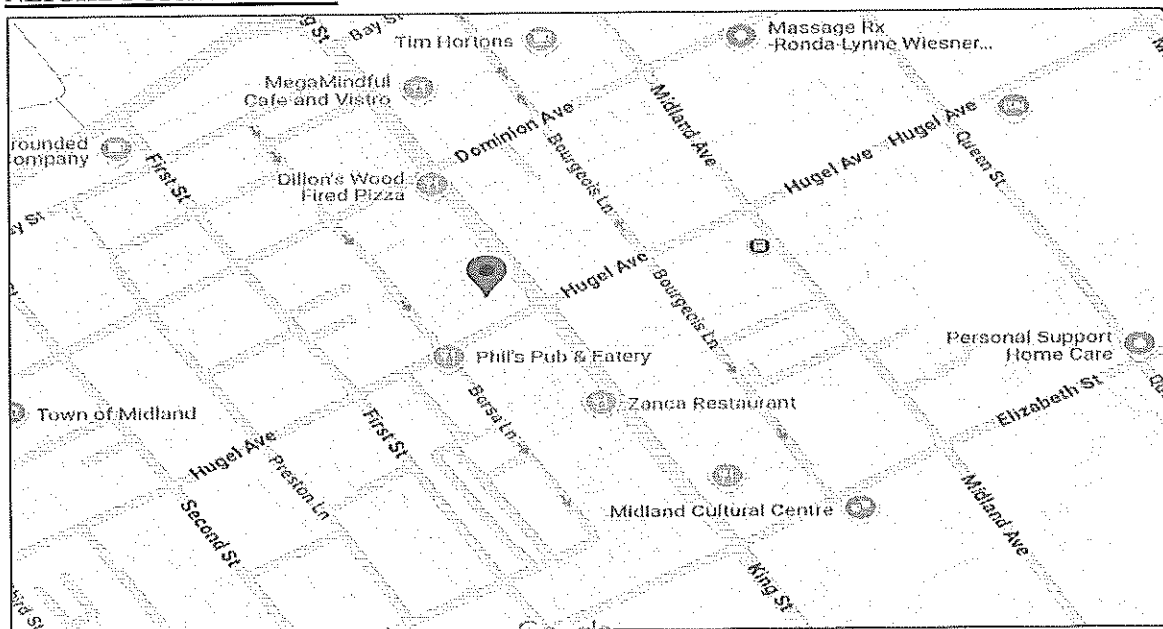
Scope of the Assignment

- The scope of this report outlines our framework for the assignment.
- An exterior and interior inspection of the property was completed on May 12, 2025.
- A Town of Midland's Official Plan and Zoning By-Law designations were all reviewed.
- The Comparable Sales and the subject properties boundaries and areas are based on TREB MLS, Costar and Geowarehouse records.
- Analysis of the highest and best use of the subject property was completed having regard to the land use controls. I have relied on discussions with municipal planning personnel and our own experience.
- The Direct Market Comparison and Income Approach was used to estimate the current market value of the subject.
- Sales data was extracted from the Toronto Real Estate Board, the Mississauga Real Estate Board, Real Track, Costar and Land Registry. The comparable sales were all inspected and an analysis of the sales was completed.
- Market research consisted of analyzing sales of comparable properties in the general vicinity of the subject property which took place over the past three years.
- My valuation and conclusions are subject to the accuracy of the information readily available.



LOCATION MAP

NEIGHBOURHOOD MAP



LOCATION & MARKET OVERVIEW

MARKET OVERVIEW:

The Bank of Canada on June 4, 2025 maintained its target for the overnight rate at 2.75%, with the Bank Rate at 3% and the deposit rate at 2.70%.

Since the April *Monetary Policy Report*, the US administration has continued to increase and decrease various tariffs. China and the United States have stepped back from extremely high tariffs and bilateral trade negotiations have begun with a number of countries. However, the outcomes of these negotiations are highly uncertain, tariff rates are well above their levels at the beginning of 2025, and new trade actions are still being threatened. Uncertainty remains high.

While the global economy has shown resilience in recent months, this partly reflects a temporary surge in activity to get ahead of tariffs. In the United States, domestic demand remained relatively strong but higher imports pulled down first-quarter GDP. US inflation has ticked down but remains above 2%, with the price effects of tariffs still to come. In Europe, economic growth has been supported by exports, while defence spending is set to increase. China's economy has slowed as the effects of past fiscal support fade. More recently, high tariffs have begun to curtail Chinese exports to the US. Since the financial market turmoil in April, risk assets have largely recovered and volatility has diminished, although markets remain sensitive to US policy announcements. Oil prices have fluctuated but remain close to their levels at the time of the April MPR.

In Canada, economic growth in the first quarter came in at 2.2%, slightly stronger than the Bank had forecast, while the composition of GDP growth was largely as expected. The pull-forward of exports to the United States and inventory accumulation boosted activity, with final domestic demand roughly flat. Strong spending on machinery and equipment held up growth in business investment by more than expected. Consumption slowed from its very strong fourth-quarter pace, but continued to grow despite a large drop in consumer confidence. Housing activity was down, driven by a sharp contraction in resales. Government spending also declined. The labour market has weakened, particularly in trade-intensive sectors, and unemployment has risen to 6.9%. The economy is expected to be considerably weaker in the second quarter, with the strength in exports and inventories reversing and final domestic demand remaining subdued.

CPI inflation eased to 1.7% in April, as the elimination of the federal consumer carbon tax reduced inflation by 0.6 percentage points. Excluding taxes, inflation rose 2.3% in April, slightly stronger than the Bank had expected. The Bank's preferred measures of core inflation, as well as other measures of underlying inflation, moved up. Recent surveys indicate that households continue to expect that tariffs will raise prices and many businesses say they intend to pass on the costs of higher tariffs. The Bank will be watching all these indicators closely to gauge how inflationary pressures are evolving.

With uncertainty about US tariffs still high, the Canadian economy softer but not sharply weaker, and some unexpected firmness in recent inflation data, Governing Council decided to hold the policy rate as we gain more information on US trade policy and its impacts. We will continue to assess the timing and strength of both the downward pressures on inflation from a weaker economy and the upward pressures on inflation from higher costs.

Governing Council is proceeding carefully, with particular attention to the risks and uncertainties facing the

Canadian economy. These include: the extent to which higher US tariffs reduce demand for Canadian exports; how much this spills over into business investment, employment and household spending; how much and how quickly cost increases are passed on to consumer prices; and how inflation expectations evolve.

We are focused on ensuring that Canadians continue to have confidence in price stability through this period of global upheaval. We will support economic growth while ensuring inflation remains well controlled.

The number of sales recorded over Canadian MLS® Systems on May 15, 2025 was unchanged (-0.1%) between March and April 2025, marking a pause in the trend of declining activity since the beginning of the year. (Chart A) Demand is currently hovering around levels seen during the second half of 2022, and the first and third quarters of 2023.

“At this point, the 2025 Canadian housing story would best be described as a return to the quiet markets we’ve experienced since 2022, with tariff uncertainty taking the place of high interest rates in keeping buyers on the sidelines,” said Shaun Cathcart, CREA’s Senior Economist. “Given the increasing potential for a rough economic patch ahead, the risk going forward will be if an average number of people trying to sell their homes turns into a large number of people who have to sell their homes, and that’s something we have not seen in decades.”

April Highlights:

- National home sales were unchanged (-0.1%) month-over-month.
- Actual (not seasonally adjusted) monthly activity came in 9.8% below April 2024.
- The number of newly listed properties fell 1% on a month-over-month basis.
- The MLS® Home Price Index (HPI) declined 1.2% month-over-month and was down 3.6% on a year-over-year basis.
- The actual (not seasonally adjusted) national average sale price was down 3.9% on a year-over-year basis.

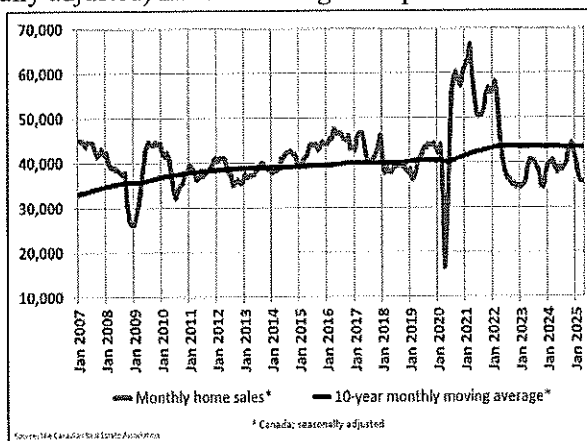


Chart A

New supply declined by 1% month-over-month in April. Combined with flat sales, the national sales-to-new listings ratio climbed to 46.8% compared to 46.4% in March. The long-term average for the national sales-to-new listings ratio is 54.9%, with readings between 45% and 65% generally consistent with balanced housing market conditions. There were 183,000 properties listed for sale on all Canadian MLS® Systems at the end of April 2025, up 14.3% from a year earlier but still below the long-term average for that time of the year of around 201,000 listings.

“The number of homes for sale across Canada has almost returned to normal, but that is the result of higher inventories in B.C. and Ontario, and tight inventories everywhere else,” said Valérie Paquin, CREA Chair. “If you’re looking to buy or sell a property in 2025, you’ll need to understand your local market, so contact a REALTOR® in your area today.”

There were 5.1 months of inventory on a national basis at the end of April 2025, in line with the long-term average of five months of inventory. Based on one standard deviation above and below that long-term average, a seller’s market would be below 3.6 months and a buyer’s market would be above 6.4 months.

The National Composite MLS® Home Price Index (HPI) declined by 1.2% from March to April 2025. The non-seasonally adjusted National Composite MLS® HPI was down 3.6% compared to March 2024. (Chart B)

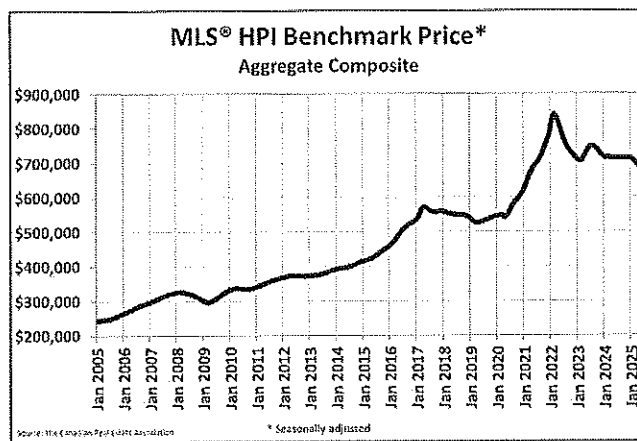


Chart B

The non-seasonally adjusted national average home price was \$679,866 in April 2025, down 3.9% from April 2024.

Midland

Midland, Ont, was incorporated as a town in 1890. The Town of Midland is located on Midland Bay, an inlet of Georgian Bay. It is about 145 km by road north of Toronto.

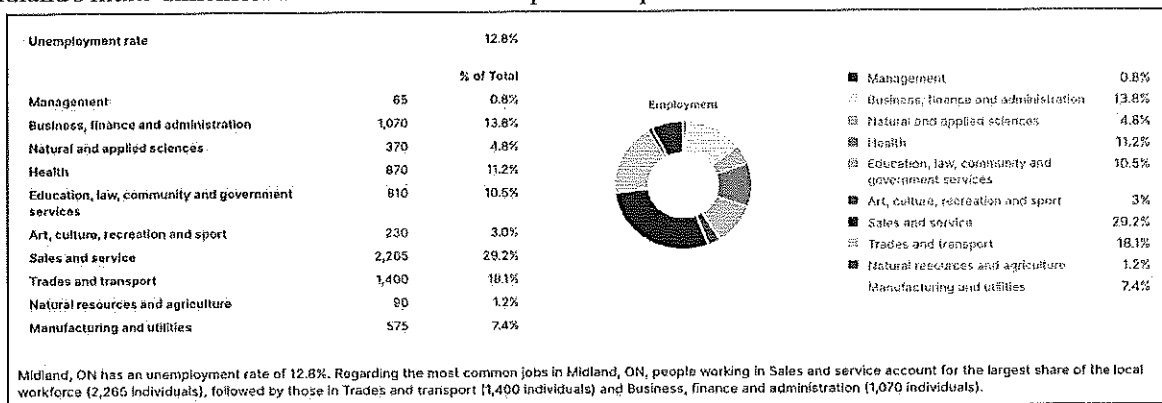
The area was part of Huronia before the arrival of Europeans, and Sainte-Marie Among the Hurons (just outside present-day Midland) was the first European settlement to be established inland from the St Lawrence Valley. Constructed by Jesuit missionaries in 1639, Sainte-Marie was a base for missionary work among the Huron until it was abandoned in 1649. Settlers arrived in the 1840s and it was known as Mundy's Bay, Hartley's Landing and Aberdare.

The modern development of the town began in 1871 when it was selected as the western terminus of the Midland Railway from Port Hope via Beaverton. The surveyed townsite was renamed Midland City ("City" was dropped when incorporated as a town) by the railway company in 1872. The railway (opened in 1879) stimulated the logging industry and the town developed extensive harbour facilities and grain elevators. Shipbuilding was also one of the mainstays of the economy for most of the first half of the 20th century, until the shipyards were transferred to Collingwood.

Today, the service and trade sectors as well as light manufacturing are the basis of the economy. The Huronia Museum and Huron-Ouendat Village recreate Huron life before the Europeans arrived. The nearby Jesuit Martyrs' Shrine and Wye Marsh Wildlife Centre also attract hundreds of thousands of visitors every year. Midland serves as a "waterway" to the popular Thirty Thousand Islands of Georgian Bay.

The Town of Midland has a current estimated population of 18,618. The population was recorded at 17,817 in the 2021 Canadian Census, and was previously recorded at 16,864 in the 2016 census. This is a change in population of 953, which is an annual growth rate of 1.11%.

Midland boasts many outstanding businesses and industries, including: ELCAN Optical Technologies, General Mills Canada, TRW Vehicle Safety Systems, Unimin Canada Limited, Saint-Gobain Technical Fabrics, ADM Milling Co., Kindred Industries, Weber Manufacturing Ltd., NEBS Business Forms and others. This is a testament to Midland's multi-dimensional labour force made up of their professional and trade skill workers.



Median household income \$69,500
Median after-tax household income \$62,800

The median household income in Midland, ON is \$69,500, while the median after-tax household income sits at \$62,800 per year.

How many households are there in Midland, ON?

Homeownership

	Total	% of Total
Total households	7,850	
Owned households	5,156	65.7%
Rented households	2,694	34.3%

	Notes	*2023 Actuals (\$)	2023 Approved Budget (\$)	2024 Approved Budget (\$)	2025 Base Budget (\$)	2025 One Time (\$)	2025 Total Budget Request (\$)	2025 Change (\$)	2025 Change (%)
Taxation & General									
Revenue									
Draw from Reserve	1	-150,032	-700,000	-619,158	-100,000	-	-100,000	\$19,158	-83.8%
Fees, Service Charges, and Rentals		-12,670	-	-	-	-	0	-	-
Fines and penalties		-406,743	-387,400	-387,400	-387,400	-	-387,400	-	0.0%
Grants & External Contributions		-617,329	-616,400	-599,000	-599,000	-	-599,000	-	0.0%
Interest and Investment Income		-1,007,438	-300,000	-550,000	-550,000	-	-550,000	-	0.0%
Taxation	2	-27,177,887	-27,098,794	-29,100,556	-30,883,198	-	-30,883,198	-1,782,642	6.1%
Revenue Total		-29,372,099	-29,102,594	-31,256,114	-32,519,598	-	-32,519,598	-1,263,484	4.0%
Expense									
Salaries & Benefits		0	-200,000	-	-	-	-	-	-
Fees Expense		6,558	-	-	-	-	-	-	-
Fines and penalties		178	-	-	-	-	-	-	-
Insurance	3	-	-	-50,000	-	-50,000	-50,000	-	0.0%
Interdepartment Transfers - Corporate S&B		-	-	188,251	191,642	-	191,642	3,391	1.8%
Materials & Supplies		-59	-	-	-	-	-	-	-
Organizational Changes	4	321,474	700,000	300,000	-	-	-	-300,000	-100.0%
Protective clothing, uniforms, subscriptions, and memberships	5	-	-	-	-	-20,000	-20,000	-20,000	-
Rebates	6	13,489	18,000	18,000	22,000	-	22,000	4,000	22.2%
Support to BIA		109,403	110,000	175,000	175,000	-	175,000	-	0.0%
Training, travel, meetings, and conferences	7	-	-	-	-	-69,000	-69,000	-69,000	-
Transfer to Reserve		1,900,247	774,435	1,113,129	1,117,435	-	1,117,435	4,306	0.4%
Write-offs		-38,237	100,000	100,000	100,000	-	100,000	-	0.0%
Expense Total		2,313,053	1,502,435	1,844,380	1,606,077	-139,000	1,467,077	-377,303	-20.5%
Net Revenue		-27,059,046	-27,600,159	-29,411,734	-30,913,521	-139,000	-31,052,521	-1,640,787	5.6%

*2023 Actuals (\$) unaudited

Source: Town of Midland website

Executive Summary

2025 Tax Increase

There are many factors considered when developing a budget. Decisions such as balancing the demands of a growing community with inflationary market impacts coupled with decisions of previous Councils pose challenges for municipalities.

As a result, considerable time was spent in exploring strategies to achieve operational efficiencies, service level reduction options and revenue generating initiatives required to reduce the operating budget targets below inflation.

Breakdown of the 2025 Tax Levy Increase and Impact on Tax Rate

	Tax Levy Increase (Decrease)	Tax Rate Impact	
		Town	Blended*
Maintain Service Levels for Town Operations	\$597,457	2.1%	
OPP Contracted Services	\$671,937	2.4%	
Operational Subsidy for OPP Services	\$(368,221)	-1.3%	
Operational Subsidy for Other Services	\$(55,000)	-0.2%	
Reserve Contributions for Asset Replacement	\$785,563	2.8%	
Assessment Growth	\$(170,400)	-0.6%	
Subtotal	\$1,461,336	5.15%	
New Investment and Service Recommendations	\$268,595	0.9%	
Council Requests	\$(55,500)	-0.2%	
Agencies, Boards and Commissions (ABC)	\$150,909	0.5%	
Sustainable Capital Levy	-		
Total	\$1,825,340	6.43%	5.32%

* Assumes 3.625% increase in Town's share of County levy



Source: Town of Midland website

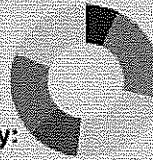
Highlights from the 2025 Budget Survey: By the Numbers

Quality of life:



65% ranked as good or better

Most important issues facing our community:



- 23% - Economy
- 22% - Safety
- 19% - Social
- 18% - Health
- 11% - Environment
- 7% - Accessibility

Satisfaction with Town Services:

57% of respondents were satisfied or very satisfied



Roads and sidewalks ranked as the #1 budget priority.



How should we balance the budget?

42% - Increase User Fees

23% - Introduce New User Fees

13% - Increase Property Taxes

11% - Reduce Services

9

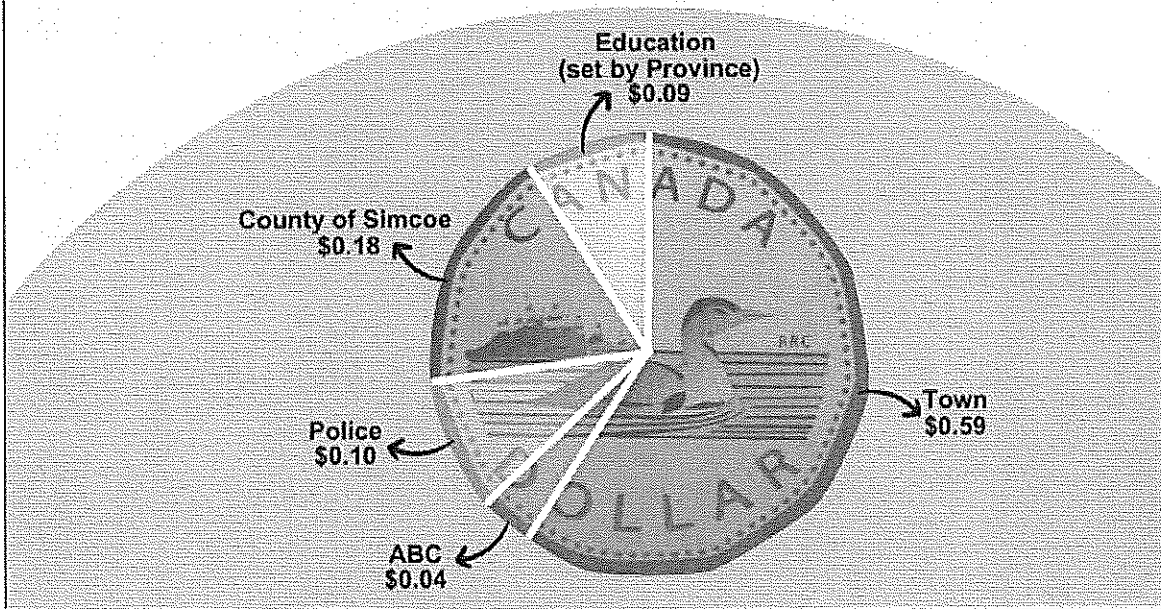
Source: Town of Midland website

Executive Summary

Your Taxes

While the Town provides numerous critical services that affect your everyday life, we receive a small portion of total taxes pay each year compared to other levels of government. Regardless, we strive to create a community that is an affordable place to live, work and play.

We believe that every dollar you provide is an investment to make sure you enjoy all that Midland has to offer. We do our best to maintain existing services, provide new services, and minimize taxes. We frequently review our services to ensure they continue to provide value to our community.



Source: Town of Midland website

Downtown Office			Δ Q/Q	Multifamily		
SA	5.25% - 6.00%	◀▶		High Rise A	3.85% - 4.75%	◀▶
A	6.25% - 7.25%	▲		High Rise B	4.00% - 5.00%	◀▶
B	6.75% - 7.75%	▲		Low Rise A	3.85% - 4.75%	◀▶
				Low Rise B	4.00% - 5.00%	◀▶
				Base Construction	4.00% - 4.75%	◀▶
Suburban Office				Seniors Housing		
A	7.25% - 8.25%	▲		Independent/Assisted Living A	5.25% - 6.00%	◀▶
B	8.00% - 9.00%	▲		Independent/Assisted Living B	7.25% - 8.00%	◀▶
				Long Term Care A	7.25% - 8.75%	◀▶
Industrial				Hotel		
A	5.00% - 5.25%	▼		Downtown Full Service	5.25% - 6.75%	◀▶
B	5.25% - 6.00%	◀▶		Suburban Limited Service	6.00% - 6.00%	◀▶
				Full-Service	7.00% - 8.50%	◀▶
Retail						
Regional	5.25% - 7.00%	▲				
Power	6.00% - 7.25%	▼				
Neighbourhood	5.75% - 6.75%	◀▶				
Strip	5.00% - 6.00%	▼				
Strip (non-anchored)	5.25% - 6.50%	▼				
Urban Streetfront	5.00% - 5.50%	◀▶				
High Street	5.00% - 5.50%	◀▶				

CBRE Q1 2025 CAP RATE REPORT TORONTO

Downtown Office								
Class A		Class B		Q2 Prediction				
Low	High	Low	High	A	B			
6.00%	6.75%	6.00%	7.25%	◀▶	◀▶			
Suburban Office								
Class A		Class B		Q2 Prediction				
Low	High	Low	High	A	B			
6.50%	8.00%	7.50%	9.00%	▲	▲			
Industrial								
Class A		Class B		Q2 Prediction				
Low	High	Low	High	A	B			
5.50%	6.50%	5.75%	6.75%	▲	▲			
Retail								
Regional/Power		Grocery/Community		Neighbourhood/Strip		Q2 Prediction		
Low	High	Low	High	Low	High	R	G	N
5.50%	6.75%	5.50%	6.50%	5.50%	6.50%	◀▶	◀▶	◀▶
Multi-Family Apartment								
High-Rise		Low-Rise		Q2 Prediction				
Low	High	Low	High	A	B			
3.75%	4.75%	3.75%	4.75%	◀▶	◀▶			

Colliers Cap Rate Report Q1 2025 Toronto

2024 Q1		
Downtown Office		ΔQ/Q
AA	N/A	
A	7.00% - 8.00%	◀▶
B	7.75% - 8.75%	◀▶
Suburban Office		
A	6.75% - 6.75%	◀▶
B	6.50% - 7.00%	◀▶
Industrial		
A	5.80% - 6.25%	▲
B	6.00% - 7.00%	◀▶
Retail		
Regional	6.00% - 7.00%	◀▶
Power	6.00% - 7.00%	◀▶
Neighbourhood	6.75% - 6.75%	◀▶
Strip	5.50% - 6.75%	▼
Strip (non-anchored)	5.75% - 7.00%	▼
Urban Streetfront	6.50% - 7.00%	◀▶
High Street	N/A	
Multifamily		
High Rise A	4.00% - 4.75%	▲
High Rise B	4.25% - 5.00%	▲
Low Rise A	4.25% - 5.00%	▲
Low Rise B	4.50% - 5.25%	▲
New Construction	4.50% - 5.25%	◀▶
Seniors Housing		
Independent/Assisted Living A	8.25% - 8.75%	◀▶
Independent/Assisted Living B	7.75% - 8.50%	◀▶
Long Term Care A	7.25% - 7.75%	◀▶
Hotel		
Downtown Full Service	8.00% - 9.50%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

CBRE Q1 2025 CAP RATE REPORT LONDON

2024 Q1		
Downtown Office		ΔQ/Q
AA	N/A	
A	6.00% - 6.75%	◀▶
B	6.50% - 7.25%	◀▶
Suburban Office		
A	6.50% - 7.50%	◀▶
B	7.00% - 7.75%	◀▶
Industrial		
A	5.75% - 6.50%	◀▶
B	6.00% - 7.00%	◀▶
Retail		
Regional	6.00% - 6.50%	◀▶
Power	6.00% - 6.50%	◀▶
Neighbourhood	6.00% - 6.50%	◀▶
Strip	5.50% - 6.35%	◀▶
Strip (non-anchored)	6.00% - 6.50%	◀▶
Urban Streetfront	6.00% - 7.00%	◀▶
High Street	N/A	
Multifamily		
High Rise A	4.25% - 4.75%	◀▶
High Rise B	4.25% - 5.00%	◀▶
Low Rise A	4.25% - 5.25%	◀▶
Low Rise B	4.25% - 5.50%	◀▶
New Construction	4.25% - 4.75%	◀▶
Seniors Housing		
Independent/Assisted Living A	6.25% - 6.75%	◀▶
Independent/Assisted Living B	7.75% - 8.50%	◀▶
Long Term Care A	7.25% - 7.75%	◀▶
Hotel		
Downtown Full Service	8.00% - 9.25%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

CBRE Q1 2025 CAP RATE REPORT KITCHENER-WATERLOO

Downtown Office								
Class A			Class B			Q2 Prediction		
Low	High		Low	High		A	B	
6.50%	7.25%		7.25%	8.00%		↔	↔	
Suburban Office								
Class A			Class B			Q2 Prediction		
Low	High		Low	High		A	B	
6.50%	7.25%		7.25%	8.50%		↔	↔	
Industrial								
Class A			Class B			Q2 Prediction		
Low	High		Low	High		A	B	
5.50%	6.50%		6.25%	7.50%		↔	↔	
Retail								
Regional/Power		Grocery/Community		Neighbourhood/Strip		Q2 Prediction		
Low	High	Low	High	Low	High	R	G	N
5.50%	6.25%	5.50%	6.50%	6.50%	7.50%	↔	↔	↔
Multi-Family Apartment								
High-Rise			Low-Rise			Q2 Prediction		
Low	High		Low	High		A	B	
3.75%	4.75%		3.75%	5.00%		↔	↔	

Colliers Cap Rate Report Q1 2025 Waterloo

Neighbourhood

The subject is located in the main downtown area of Midland. King St is one of the main commuter streets that runs north south through the heart of Midland. The subject is located on the west side of King St W and just north of Hugel Ave. King St consists of many other single storey, two storey, and three storey commercial properties that were similar to the subject. Some retail locations in the area of the subject include Scotiabank, RBC, and Money Mart. The Midland Harbour on Georgian Bay is located just north of the subject and the North Simcoe Sports and Recreation Centre is located south of the subject. Hwy 93 is located west of the subject and Hwy 12 is located south of the subject for commuting purposes. Overall, the subject is considered to be in a desirable area within the Town of Midland.

AERIAL PHOTOS



DESCRIPTION OF SITE

Location

The subject property is addressed at 268 King St, Midland. The subject property is located along the west side of King St. There are a number of other commercial buildings in the vicinity of the subject along King St that were similar to the subject. The subject property is located in a good location within the Town of Midland.

Legal Description

Pt Lt 10 W/S King St Pl 306 Being Pt 1 51r7131 Town Of Midland.

Site Area

The site is an interior lot which is irregular in shape with dimensions of 24' x Irr' and a total site area of 2,519 sf. See aerial view for details.

Parking

There is asphalt parking to the rear of the building. The site appeared to provide for two parking spaces.

Access

There are two entrances to the front on King St. One is for the main floor commercial/retail space and one is for the 2nd level apartments

Services

Full municipal services are provided including natural gas, hydro, water, and telephone. King St is an asphalt paved road with sanitary sewers, street lights and curbs.

Topography and Drainage

The lot appears to be flat and no drainage issues were noted.

Soil Characteristics

It is assumed that in view of the size of the structures on the surrounding properties and the subject that those soils within the area are capable of handling reasonable heavy building loads. Based on my inspection of the subject property, no visible contamination was noted. An environmental assessment has not been supplied or reviewed. The appraiser did not note anything during the inspection that indicated that there was soil contamination. For the purpose of this appraisal, we have assumed that there are not environmental problems or concerns.

DESCRIPTION OF IMPROVEMENTS

The subject building was viewed on May 12, 2025.

The subject is located onto the west side of King Street in Midland.

The subject building is a 2-storey building which sides directly up to the neighbouring buildings to the east and west sides. There are two entrances to the front, one for the main floor commercial/retail space and one for the 2nd level apartments. Further there is a rear metal fire escape from the 2nd floor and a rear door from the main level and one from the basement level.

The exterior of the building is improved with a brick veneer on the rear and the front 2nd floor, and the main level front is improved with signage and metal siding. The front doors and windows are metal on the 1st floor at the front and a mix of metal, vinyl and wood framed throughout the 2nd floor and rear. There are window air conditioning units visible for the 2nd floor.

The 1st floor footprint appears to be 1,806 sf and the 2nd floor appears to be 1,806 sf for a total of 3,612 sf. The measurements were taken by the appraiser using a handheld electronic measuring device.

Upon entrance to the main floor retail area the floor cover is laminate, and the walls and ceiling are drywall. The ceiling is dropped tile with fluorescent tubular. The area is divided into a retail area, a rear office area, storage and staff 2-pc washroom. The ceiling height is 9 ft 4 inches approximately. The washroom is improved with ceramic tile floor cover, toilet and premade vanity. The main floor is further improved with a ductless split.

Access to the basement is from the main floor unit. The lighting in the basement appeared to be motion activated and the appraiser could not find a light switch, so some pictures appear darker. The electrical panels are located in the basement. The ceiling is drywall/painted panel board. The foundation walls appear to be brick, stone and concrete rubble foundation. The floor is bare concrete. The front of the basement has 2 electrical panels and there is a large one at the rear. Further there 5 separate hydro meters. (Previously the 2nd floor had been improved with 4 apartments, now it is only 2). There are two water tanks. Further the basement has a toilet and laundry sink. They appear to be attached to water and drainage, but it could not be confirmed if they are working. The basement does have a slight odour and there were signs of previous water pooling at the rear. There were no active puddles/pooling of water or leaking. The basement does not appear to be used for storage.

Given the level to which the basement is finished provides no economic value to the overall value of the subject dwelling and therefore will be treated as unfinished.

The 2nd floor is improved with 2 x 3-bedroom apartments, each having 2 full baths. Access notice was not given to the tenants within the allowable time frame. However, both tenants were pleasant and provided quick access to their units.

Notes were taken from the appraiser vehicle, photos and memory as notes were not taken during the actual viewing to hasten the process.

Both units are of a similar quality, age and condition.

Each unit is improved with a kitchen improved with wood cabinets, and laminate countertops. One kitchen has a stone style façade backs splash and the other has no backsplash. The floor cover throughout the units is a mix of hardwood and laminate with some washrooms having ceramic tile and come having laminate floor cover. The ceilings and walls are drywall and potentially lathe and plaster in some areas. The washrooms are all improved

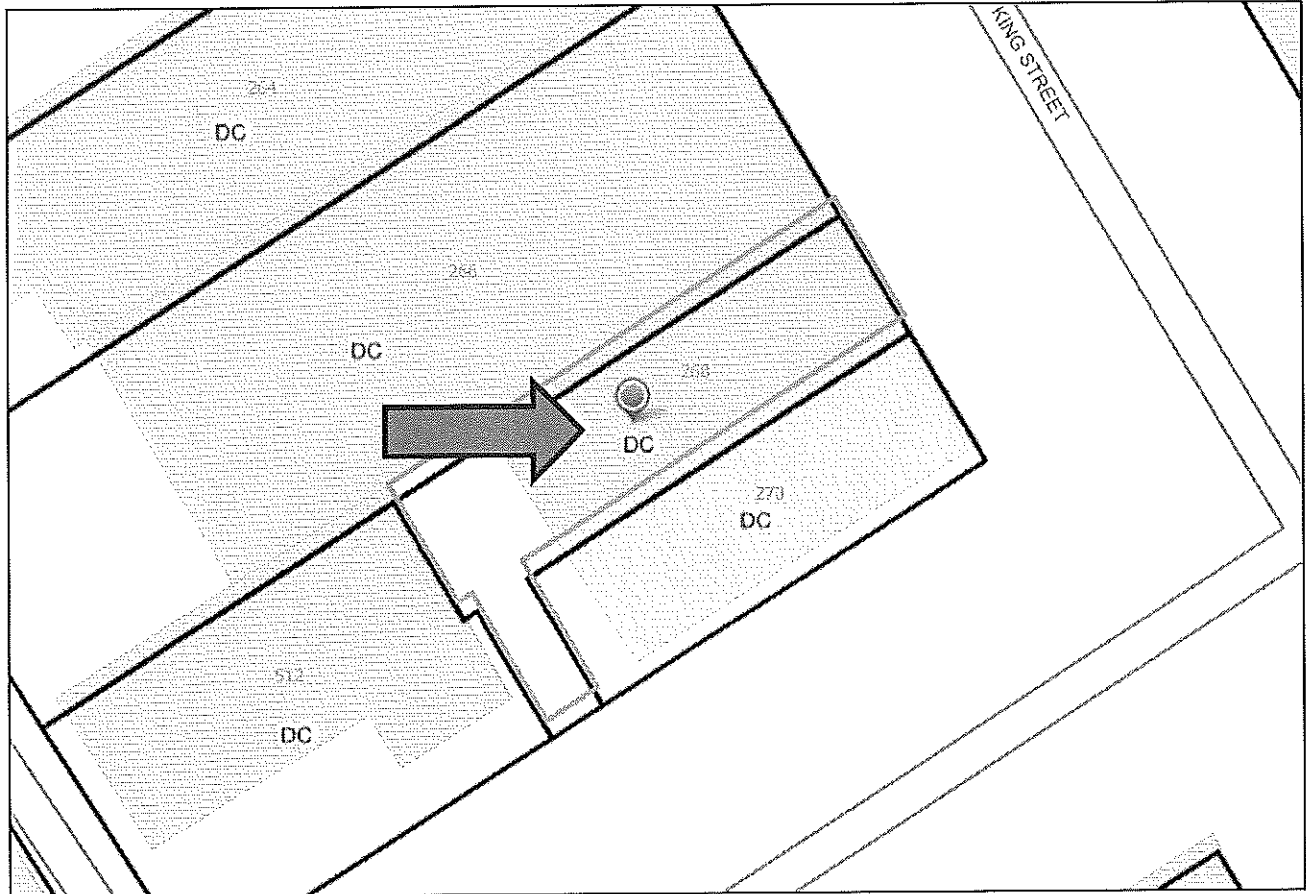
with either ceramic tile floor cover, or laminate floor cover, toilets and 3 with premade vanities and one with a wood vanity. Three of the washrooms are improved with a bathtub one having ceramic tile tub surround and two with plastic inserts. One washroom is 3-pc with a ceramic tile shower surround. In apartment 4 one bedroom has laundry in place.

Overall, the apartments are slightly cluttered, which can be typical when people are not given notice. They have been updated in some areas such as premade vanities and laminate floor cover, however, not enough to raise their value. Given the lower socio-economic market the apartments are in they are considered in average condition.

Overall, the subject building is average. The main floor commercial space is average. The basement is slightly below average to average condition. In synopsis, in the consideration of the buildings entirety it is considered average condition and could use some updating in the apartments, fixing the basement, and repaving of the parking lot at the rear.

LAND USE CONTROLS

Town of Midland Zoning



Zoning

The subject is zoned DC: Downtown Core

6.1.2 Permitted Uses

Accessory Dwelling Units
 Bakery
 Bus Passenger Depot
 Catering Establishment
 Child Care Centre
 Commercial Entertainment Establishment
 Commercial School or Adult Learning Centre
 Eating Establishment excluding a Drive Through Facility
 Financial Institution
 Fitness Club
 Funeral Home
 Hotel or Motel
 Laundromat or Dry Cleaning Establishment
 Liquor or Beer Store
 Medical Laboratory
 Medical Practitioner
 Microbrewery
 Mobile Fast Food Facility
 Parking Area
 Personal Service Establishment
 Pharmacist
 Place of Assembly
 Place of Worship
 Private Club
 Professional Office
 Public Use
 Retail Store
 Retirement Home
 Senior Citizens' Home
 Service Shop
 Taxi Stand

Theatre

The DC zoning by law allows for both commercial and residential uses. The subject improvements consisted of one commercial unit on the ground floor that was operating a food related business and two residential unit on the upper floor. It appears that the subject is a legal conforming use.

HIGHEST AND BEST USE

Highest and Best Use

Real estate is valued in terms of its highest and best use. Highest and best use is defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability

*Source: The Dictionary of Real Estate Appraisal
Third Edition, 1993
Appraisal Institute*

To properly analyse highest and best use, two determinations must be made. First, the highest and best development of the site as though vacant and available for use is made. Second, the highest and best use of the property as improved is analysed and estimated. The highest and best use of both the land as though vacant and the property as improved must meet four criteria: physically possible, legally permissible, financially feasible, and maximally productive. Of the uses that satisfy the first three tests, the use that produces the highest price or value consistent with the rate of return warranted by the market is the maximally productive use.

Subject Property – As Though Vacant

Physically Possible

Analysis of the site characteristics and nearby improvements in the area indicates the subject site could adequately support physical development.

Legally Permissible

The subject is zoned DC. This allows for a wide range of both commercial uses and also residential uses. Thus, it was assumed that the subject was a legal conforming use.

Financially Feasible

Commercial uses are financially feasible as most of the available land has been developed with commercial or mixed-commercial residential buildings and demand for them has been steady.

As Vacant

The subject property is best suited for a commercial development to the maximum density permitted under existing zoning by-laws, as if vacant.

As Improved

The zoning allows for commercial and residential uses. Thus, the current improvements developed to its maximum capacity are considered to be the highest and best use of the subject, as improved. The current use appears to be the highest and best use.

VALUATION TECHNIQUE

Valuation Premise

The market for any real estate consists of those entities that can benefit from the highest and best use of a particular property and, accordingly, are willing and able to pay a competitive price. In most cases, for any particular property the market is represented by a fairly clearly defined group of individuals or financial entities. In the case of the subject property, the purchaser profile would be one who would acquire the property for rental of the building. The valuation contained in this document attempts to replicate the analysis that a prospective purchaser would likely use.

Method of Valuation

The three traditional approaches to value, Cost, Direct Comparison, and Income Capitalization, have been considered in estimating the market value for the subject property. Based upon the available market data and the likely motivations of the typical purchaser, the Direct Comparison Approach and the Income Approach using a form of Direct Capitalization have formed the primary basis of our reconciliation of a final estimate of value. The Cost Approach has not been developed. While investors are generally aware of replacement cost, they place little reliance on the fully developed Cost Approach when determining a value for acquisition purposes.

The Income Approach is presented first followed by the Direct Market Comparison Approach which is in turn followed by Reconciliation and a Final Estimate of Value.

Reasonable Exposure Time

Exposure time may be defined as follows:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

The subject is located within a developed mixed commercial/residential area. A reasonable exposure time of 2-6 months is estimated.

INCOME APPROACH

The Income Capitalization Approach includes an analysis of the market for similar comparable properties that have leased within a meaningful timeframe, and a pro forma estimation of a Year 1 stabilized net operating income is developed.

The Income Capitalization Approach is developed, which typically converts an estimate of a single year's income expectancy into an indication of value using an appropriate capitalization rate. After analysis of pertinent data to select an appropriate capitalization rate, the net operating income is stabilized and capitalized to an estimation of current market value.

Subject Occupancy,

The subject property consisted of one commercial unit on the ground floor and two residential tenants above. Both of the residential units were three bedroom units. One unit appeared to be rented at \$1,400/month with the other residential unit rented at \$1,125/month. The commercial lease appears to have been initially signed in 2021 with a 5 year extension commencing on July 1, 2024 until June 30 2029. The lease rate appeared to be \$2,650 month. In addition the tenant was responsible to pay \$550/month in TMI. Although as noted above the main floor was measured to be 1,806 sf the lease indicates that the main floor was measured to be 1,650 sf. Below is a summary of the rent roll:

Rent Roll					
UNIT		RENT AMOUNT	TMI AMOUNT	SF	PRICE/SF GROSS
1	Commercial	\$2,650	\$550	1650	\$23.27
2	Residential	\$1,125			
3	Residential	\$1,400			
Total Monthly		\$5,725			
Total Annually		\$68,700			

It was necessary to investigate market lease rates in order to determine where the subject's lease rate falls within the range of the market and to determine a market lease rate for the apartment.

Below is a table that presents some current lease rates from the market

Commercial Lease Rates

Commercial Lease Rates							
#	Location	Date	Size/sf	Rental Rate/SF	TMI	Gross Rent	Comments
1	288 King St A1	10/03/2024	1,500	\$21.60	\$0.00	\$21.60	Same street as subject
2	290 King St	10/31/2024	600	\$34.00	\$0.00	\$34.00	Small unit
3	521 Bay St A	03/18/2025	589	\$18.00	\$3.00	\$21.00	Small unit
4	371 Yonge St	02/04/2025	1,900	\$18.95	\$0.00	\$18.95	Within plaza
5	578 Bay St A	02/05/2025	540	\$24.33	\$0.00	\$24.33	Small unit
6	278 King St	02/28/2024	1,590	\$17.36	\$2.14	\$19.49	Main floor retail

The subject consisted of an open concept retail store that sold food. The subject's main floor space was 1,650 sf as per the lease. The lease rates in the market ranged from \$18.95/sf - \$34/sf. Lease rates #1, #2, and #6 were all of units on the same street as the subject although lease rate #2 was of a much smaller unit. The subject had recently signed a five year extension and the lease rate was \$23.27/sf gross. This lease rate appears to fall right in line with the market lease rate. Thus it is the contractual lease rate that will be utilized and it appears to be a lease rate at market rates.

Residential Lease Rates

Apartment Lease Rates							
#	Location, Midland	Date	# of Bedrooms	Condition/Type	Monthly Rate	Utilities Included	Parking Included
1	154 Sixth St	07/23/2024	3	Average/Full House	\$2,200	No	Yes
2	967 Wright Dr Lower	06/17/2025	3	Good/Basement unit	\$2,300	No	Yes
3	587 Yonge St Unit 1	02/07/2025	3	Average/Front Unit	\$2,400	No	Yes
4	1035 Wright Dr	03/14/2025	3	Good/Full Townhouse	\$2,500	No	Yes
5	1022 Wright Dr	12/24/2024	3	Good/Full Townhouse	\$2,600	No	Yes
6	1017 Cook Dr	06/01/2024	3	Good/Full Townhouse	\$2,650	No	Yes

As can be seen from the chart above, the rates for three bedroom unit ranged from \$2,200/month to \$2,650/month. This was much higher than the rental rates for the subject unit although the appraiser noted all the rental rates were of larger homes or townhomes. The appraiser was not able to find rental rates of apartments that were similar to the subject apartment units. It is likely that the market rate for the subject's apartment units would be below the range

established by the market but still it appeared it would likely be higher than the actual in place contractual lease rates. However, due to rent control, it is the contractual lease rates that will be utilized in the analysis and rent cannot be increased to market rates. The appraiser will account for the below market rental rates as part of the capitalization rate analysis below.

General Vacancy

The subject is located in a desirable area within the Town of Midland. As per the October 2024 CMHC report for Midland, the vacancy rate was 2.4% for residential units. Below is a summary of the information from CMHC:

Midland	2.4 c	**	1,371 c	1,260 b	**	1,197
---------	-------	----	---------	---------	----	-------

Additionally, the main floor of the subject was occupied by a retail tenant and commercial vacancy rates are generally much higher than residential vacancy rates. Based on the aforementioned a blended bad debt/vacancy rate of 6% will be utilized for the subject property.

Operating Expenses

The appraiser was only provided with some of the operating expenses. The property tax amount was reported at \$6,000. An amount of \$5,000/year is assumed for property insurance as this is similar amount for other properties similar to the subject. The tenants are all assumed to pay for their own hydro and the subject is separately metred. Other utilities such as common area hydro, water and gas is assumed to be \$5,000/year. Repairs and maintenance is estimated at \$1,500/unit which is typical for a property such as the subject. A summary is shown below:

Expenses	Annual
Taxes	\$6,000
Insurance	\$5,000
Repairs	\$4,500
Utilities	\$5,000
Total	\$20,500

Property Management:

A property such as the subject that only has three tenants would typically be self managed and thus no fee needed to be deducted for property management.

Structural Reserve:

An amount equal to 2% of gross income will be deducted as part of a structural reserve.

Capitalization Technique

In the evaluation of real property, the marketplace has proven that there is a relationship between the income and value. In light of this, the Appraiser methodology has several tools available to measure this relationship, resulting in an estimate of value to the subject property through the capitalization of the Net Income. In today's marketplace, two methods are widely accepted which may yield a good estimate of value. These methods are the Mortgage

Equity Capitalization Technique and the Direct Capitalization Technique. It is the Direct Capitalization Technique which will be used in this report.

The Direct Capitalization Technique involves the analysis of sales of similar types of properties to derive a relationship between the selling price and the Annual Net Operating Income. This overall rate is expected to represent what an informed, prudent and rational investor is requiring for similar competitive properties in the marketplace. Similar refers to similarities with respect to risk and durability of income or investment return of specific properties. The Direct Capitalization Technique is usually an excellent means of estimating Market Value when revenue producing properties are the subject matter. This technique is especially useful where standard or typical type of revenue producing properties are concerned. I have investigated the market for sales of similar properties to determine an appropriate capitalization rate for the subject. I have included various comparable which are considered to reasonably provide an estimated capitalization rate for the subject.

None of the comparable sales developed in the Direct Comparison Approach had reliable income information from which to develop going-in capitalization rates. Consequently, we went back to the market to widen the search and develop yield rates for comparable properties in the broader market.

The following is a summary of my findings:

No.	Sale Date	Location	Type	Estimated Net Income	Sale Price	Going In Capitalization Rate
1	09/26/2024	669 Elgin St, Port Elgin	Multi Family	\$125,000	\$2,500,000	5.00%
2	08/30/2024	74 John St W, Bradford	Retail/Residential	\$130,000	\$2,000,000	6.50%
3	06/21/2024	27 Hooper Rd, Barrie	Industrial	\$197,400	\$4,200,000	4.70%
4	04/16/2024	37 W Holland St, Bradford	Retail/Residential	\$160,650	\$2,975,000	5.40%
5	06/14/2023	18 Boucher St W, Mcaford	Hospitality	\$125,280	\$1,080,000	11.60%
6	12/05/2023	521-527 Bay St, Midland	Retail/Residential	\$173,070	\$2,700,000	6.41%
7	12/30/2024	504 Dundas St N, Cambridge	Retail	\$96,040	\$1,400,000	6.86%
8	08/28/2024	1591 London Line, Samia	Retail	\$60,000	\$1,000,000	6.00%
9	04/16/2024	725 Bridge St W, Waterloo	Office	\$629,375	\$6,625,000	9.50%
10	03/28/2024	9755 Northville Cres, Thedford	Self Storage	\$100,000	\$1,070,000	9.35%
11	08/20/2024	1038 King St W, Hamilton	Retail/Residential	\$305,100	\$4,500,000	6.78%
12	10/03/2023	143 St Paul Cres, St Catharines	Retail	\$144,625	\$2,225,000	6.50%
13	04/03/2023	364 Scott St, St Catharines	Retail	\$94,500	\$1,575,000	6.00%
14	06/16/2022	992 3rd Ave E, Owen Sound	Multi Family	\$61,000	\$700,000	8.71%
15	07/13/2023	10 D Clinton St S, Teeswater	Mixed Use	\$33,472	\$357,000	9.38%
16	05/26/2023	418 Sherman Ave, Hamilton	Retail	\$108,000	\$1,475,000	7.32%

Summary

Capitalization rates on similar commercial buildings in Midland were difficult to find. As such, the appraiser chose to extend the search parameters to include time, locations, and different types of improvements that would offer a similar demand. It was difficult to find comparable sales with capitalization rates. Consequently, the appraiser went back to the market to widen the search and develop yield rates for comparable properties in the broader market. The following sales were utilized in developing the overall capitalization rate for the subject property. The sales demonstrate an unadjusted going in capitalization rates that range from a low of 4.7% to a high of 11.6%.

Capitalization rate #3 is the sale of an industrial property that was located in Barrie. Barrie is considered to be a superior market than the subject. This sale sets the low end of the range. Sale #5 was the sale of a hospitality asset in Meaford. Hospitality assets are considered risky and less desirable overall than a retail residential property such as the subject. This sale sets the upper end of the range. The appraiser noted that the subject was located in Midland which was considered to be an inferior market than many of the capitalization rates that were located in Hamilton, Cambridge, Waterloo etc. This points towards a higher capitalization rate for the subject. The subject was in average condition. As per the CBRE Q1 2025 capitalization rate reports, the capitalization rate for Urban Street front properties in London was 6.5% - 7.5%. For Toronto the range was 5%-5.5% and for Kitchener/Waterloo the range was 6%-7%. The subject was considered to be in inferior location than Toronto which would point towards a higher rate for the subject. Overall, the subject is also considered to be inferior to Kitchener/Waterloo. Additionally, as noted above, the subject's residential lease rates appeared to be below market and thus could be increased once the tenants move out. This would point towards a lower capitalization rate for the subject as an investor would pay a premium on the capitalization rate for the future upside potential. Based on all the aforementioned information, a capitalization rate towards the middle/upper end of the range of 6.5% will be utilized.

Direct Capitalization - Stabilized Year 1	
Commercial Rent	\$38,400
Residential Rent	\$30,300
Vacancy Rate @ 5%	\$3,435
EFFECTIVE GROSS INCOME	\$65,265
Operating Expenses	\$20,500
Structural Reserve @ 2%	\$1,305
NET OPERATING INCOME	\$43,460
CAPITALIZED @ 6.5%	[REDACTED]
Rounded to	[REDACTED]

Thus, the final value estimate by the Income Approach, as of the effective date of this appraisal is:

[REDACTED]

DIRECT MARKET COMPARISON APPROACH

Due to the unique nature of the subject property the appraiser chose the most comparable properties and adjusted accordingly based on the price per square foot of each of the comparable sales. The following are details of the most comparable sales in the area followed by an analysis of the data and a conclusion as to an estimate of market value.

Sale #	Location	Sale Price	Sale Date	Improvement Size (SF)	Price/SF	Site Size (SF)
1	337 Midland Ave, Midland	\$380,000	01/19/2024	1,605	\$237	6,775
2	555 Bay St, Midland	\$420,000	01/10/2025	3,400	\$124	5,350
3	297 King St, Midland	\$445,000	11/01/2024	1,676	\$266	3,200
4	292 King St, Midland	\$450,000	10/18/2024	2,047	\$220	2,480
5	356 Eighth St, Midland	\$685,000	02/02/2024	1,352	\$507	7,075
6	288 King St, Midland	\$900,000	10/31/2023	5,860	\$154	3,592
SUB	268 King St, Midland	N/A	N/A	3,612	N/A	2,519

Adjustments to Sales Data

The sales selected for this analysis are compared to the subject property and appropriate adjustments for the elements of comparison are considered. The subject is an attached 3,612 sf mixed use building located on a 2,519 sf site. Sales of similar sites the same size as the subject were difficult to find. As such, the appraiser utilized sales of properties that were not in the immediate vicinity of the subject. This was deemed necessary and unavoidable. Adjustments will be made based on the price per square foot of improvements. Typically larger improvements would sell at a lower price per square foot than smaller improvements. The reverse is also true. Elements of comparison analysed in this valuation include real property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, improvements size, economic characteristics and use/zoning considerations.

Sale 1
337 Midland Ave, Midland



Sold Date:	01/19/2024
Purchase Price:	\$380,000
PIN:	584700035
Site Size:	6,775 sf
DOM:	217
Improvements:	1,605 sf
Price/SF:	\$237

Remarks: This is the sale of a two storey improvement located in Midland. It was a detached improvement that was zoned for either commercial or residential use. The improvements appeared to be in similar condition to the subject. The site provide for a large parking lot area at the rear and provided parking for 10 cars.

Sale 2
555 Bay St, Midland



Sold Date:	01/10/2025
Purchase Price:	\$420,000
PIN:	584650057
Site Size:	5,350 sf
DOM:	111
Improvements:	3,400 sf
Price/SF:	\$124

Remarks: This is the sale of a semi attached building in downtown Midland. The location was considered to be inferior than the subject. The main floor consisted of retail space with one apartment on the second floor. The condition appeared to be inferior than the subject. The site size was 5,350 sf and parking was provided for 6 cars.

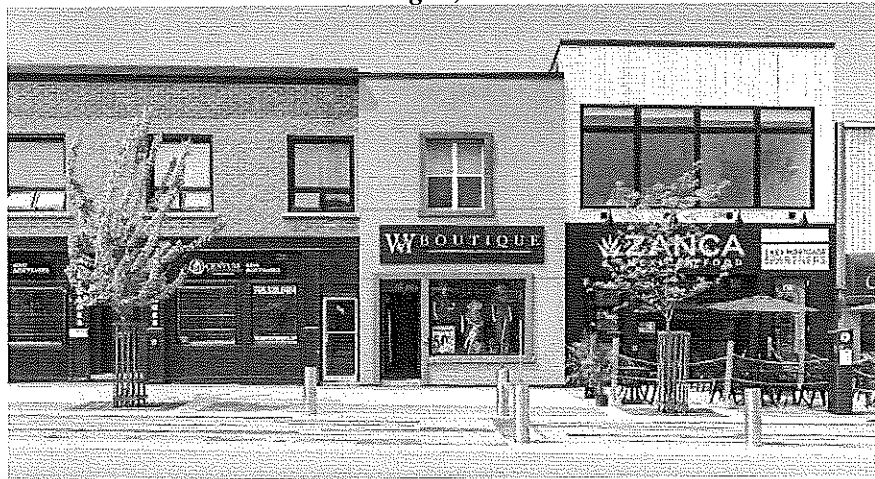
Sale 3
297 King St, Midland



Sold Date:	11/01/2024
Purchase Price:	\$445,000
PIN:	584670144
Site Size:	3,200 sf
DOM:	11
Improvements:	1,676 sf
Price/SF:	\$266

Remarks: This is the sale of a commercial building that was a single storey and totalled 2,570 sf of retail space. The property was located along the same street as the subject. The site size was 3,200 sf and provided for 7 parking spaces. The condition was considered to be superior than the subject.

Sale 4
292 King St, Midland



Sold Date:	10/18/2024
Purchase Price:	\$450,000
PIN:	584640072
Site Size:	2,480 sf
DOM:	30
Improvements:	2,047 sf
Price/SF:	\$220

Remarks: This is the sale of a mixed use building a retail space on the main floor and a two bedroom apartment above. The site size was 2,480 sf and provided for 6 parking spaces. The condition of the improvements was considered to be superior than the subject.

Sale 5
356 Eighth St, Midland



Sold Date:	02/02/2024
Purchase Price:	\$685,000
PIN:	584570090
Site Size:	7,075 sf
DOM:	238
Improvements:	1,352 sf
Price/SF:	\$507

Remarks: This is the sale of a single storey building that was detached and consisted of a restaurant. The location was considered to be inferior than the subject location. The site size was 7,075 sf and included a parking lot for 10 cars. The condition was considered to be similar to the subject.

Sale 7
288 King St, Midland



Sold Date:	10/31/2023
Purchase Price:	\$900,000
PIN:	584640070
Site Size:	3,592 sf
DOM:	75
Improvements:	5,860 sf
Price/SF:	\$154

Remarks: This is the sale of a mixed use building located on the same street as the subject. The building consisted of 7 total units with five commercial units and two residential apartments that were each two bedroom units. The site provided for 2 parking spaces. The condition was considered to be similar to the subject condition.

DIRECT MARKET		CHART				Overall Adjustment
	Location, Midland	Sale Date/Price	Site Size /Parking	Improvements	Price/SF	
S	268 King St	N/A	2,519 sf/2 parking	3,612 sf Attached Average condition Unfinished basement	N/A	↓↓↓
1	337 Midland Ave ↑↑↑	01/19/2024 \$380,000	6,775 sf/10 parking ↓↓↓	1,605 sf ↓↓ Similar condition Detached ↓	\$237	↑↑↑
2	555 Bay St ↑↑↑	01/10/2025 \$420,000	5,350 sf/6 parking ↓↓	3,400 sf Semi detached Inferior condition ↑↑↑	\$124	↑↑↑
3	297 King St	11/01/2024 \$445,000	3,200 sf/7 parking spaces ↓↓	1,676 sf ↓↓ Attached Superior condition ↓↓	\$266	↓↓↓
4	292 King St	10/18/2024 \$450,000	2,480 sf/6 parking spaces ↓↓	2,047 sf ↓ Attached Superior condition ↓	\$220	↓↓↓
5	356 Eight St ↑↑	02/02/2024 \$685,000	7,075 sf/10 parking ↓↓↓	1,352 sf ↓↓↓ Detached ↓ Similar condition	\$507	↓↓↓
6	288 King St	10/31/2023 ↑ \$900,000	3,592 sf/2 parking spaces	5,860 sf ↑↑ Attached Similar condition	\$154	↑↑↑

Analysis of Comparable Sales

As no 2 properties are completely similar, adjustments must be made to compensate for differences between the comparable properties and the subject property. There were not many properties in the immediate vicinity of the subject that were similar to the subject in size and that were similar in utility. Thus, the appraiser expanded the search to include properties that had site sizes that different than the subject, improvements that were different and in different locations. This was deemed necessary and unavoidable. The comparable sales ranged from \$380,000 to \$900,000 and the price per square foot ranged from \$124/sf - \$507/sf

Sale Date:

In a changing market, it may be necessary to adjust sale prices to reflect the time difference between the sale date of a comparable and the date of valuation. The demand for similar properties in the area has remained stable over the last few months. Due to some interest rate cuts it does appear that the market is superior to sales that occurred at the end of 2023 and thus sale #6 needed an upward adjustment.

Property Rights Conveyed:

In the sales analysis, it is important the pertinent property rights of the comparable sales are similar to the subject property. No adjustments were deemed necessary.

Financing Terms:

Due to differing financial arrangements, the sale price of differing properties may be different. More favourable financing may include a Vendor Take Back Mortgage and a lower rate the current market rate. This situation may result in a positive influence on the sale price. Conversely, a higher VTB interest rate may also affect the sale price. No adjustments were necessary.

Conditions of Sale:

The motivations of the purchaser and vendor may affect the sale price and adjustments for these types of sales are necessary as in some cases, these motivations may affect the sale price. For example, a property that is under power of sale may require a certain sense of urgency on the part of the seller/lender, causing a lower sale price than otherwise would be attained if the property had adequate marketing time on the real estate market. Other instances include land assembly whereby the purchaser has a need to pay a higher price in order to acquire a certain piece of property. No adjustments were necessary.

Location:

An adjustment for location may be needed when the location characteristics of a comparable property is different from the subject property. The subject property was located in a good location within Midland as it was in the heart of downtown. Sales #1, #2, and #5 were all in inferior locations and thus they all needed upward adjustments.

Improvements

The subject's improvements totalled 3,612 sf. Sales #1, #3, #4, and #5 were all of improvements that were smaller in size than the subject with sale #6 being the sale of an improvement that was larger in size than the subject. Adjustments were made accordingly.

The subject's improvements were in average condition overall. Sale #2 was in inferior condition with sales #3 and #4 being in superior condition. Adjustments were made accordingly.

The subject improvement was an attached improvement and sales #1, and #5 were of detached improvements. These sales needed downward adjustments.

Site/Parking

The subject site was 2,519 sf and provided for two parking spaces. All the comparable sales with the exception of sale #6 had a superior site size/parking combination and thus sales #1-#5 needed downward adjustments.

Conclusion:

The comparable sales have been adjusted for all known differences between them and the subject property and suggest a range of \$124/sf to \$507/sf. Sale #5 was the sale of a site that was much larger than the subject site with superior parking and it was a much smaller improvement. This sale sets the upper end of the range and also appears to be an outlier. Sales #2 was the sale of a property in an inferior location than the subject, and it was in inferior condition. This sale sets the low end of the range. Sales #3, #4, and #6 were all located on the same street as the subject and most similar to the subject and thus were considered to be the best indicators of value for the subject. Sale #3 was the sale of a property that had a superior site size/parking, it was a smaller improvement and it was in superior condition, Overall this sale needed a downward adjustment. Sale #4 was the sale of a property that was also in superior condition than the subject, it was a smaller improvement and it had a superior site/parking. This sale also needed an overall downward adjustment. Sale #6 was the sale of an improvement that was in similar condition to the subject overall, it had similar parking to the subject but it was a dated sale and it was a larger improvement. This sale warranted an overall upward adjustment.

In this regard, with consideration given to the assumptions and limiting conditions contained herein, it is felt that the subject, should reasonably achieve a price per square foot of \$185/sf with sales #3, and #4 being the best indicators of bracketing the subject on the higher end and sale #6 being a good indicator and bracketing the subject on the lower end. When applied to the subject's 5,860 sf this results in a value of [REDACTED] (rounded).



The final value estimate by the Direct Market Comparison Approach, as of the effective date of this appraisal is

[REDACTED]

[REDACTED]

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Between the various approaches, the following estimated market values were concluded:

Direct Comparison Approach	
Income Approach – <i>Direct Capitalization</i>	
Cost Approach	Not Developed

Each of the valuation methods has a varying degree of applicability with respect to the subject building. In the case of the Cost Approach, the determination of physical and functional depreciation is difficult and thus this approach is somewhat less reliable and therefore has not been developed. Further, while investors are generally aware of replacement cost, they place little reliance on the fully developed Cost Approach when determining a value for acquisition purposes.

The Direct Comparison Approach produced 6 sales of commercial properties with varying degrees of comparability to the subject. The range of prices is most heavily influenced by location, building and lot size, condition and quality of the improvements, use, and the prevailing market conditions at the time of sale. This approach was not considered to be a good indicator of value for the subject as the subject had a longer term tenant in place on the main floor. This approach would be more commonly used on properties that were being purchased by end users to be owner occupied.

The Income Approach using a form of the Direct Capitalization was also analyzed. The property consisted of 2 residential units and one commercial unit. The commercial unit was occupied by a tenant that had a longer term lease in place. Thus this approach was heavily weighted as part of the final estimate of value as it would be typical for investors looking to generate rental income to analyze the income for the subject property.

Based on the aforementioned it is the Income Approach that was given the most weight as part of the final estimate of value. The Direct Market Comparison Approach was also developed and given less weight but is still considered to strongly support the Income Approach.

Thus, the final estimate of value as of the effective date of this appraisal is:



UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

SUBJECT : 268 King St, Town of Midland
REAL PROPERTY INTEREST : Leased Fee Interest
EFFECTIVE DATE : May 12, 2025

AT THE REQUEST OF OUR CLIENT, I HAVE INSPECTED THE PROPERTY DESCRIBED IN THIS REPORT AND CONSIDERED ANY RELEVANT MATTERS WITH RESPECT TO FORMING AN OPINION OF MARKET VALUE OF THE PROPERTY, IN ORDER TO ASSIST WITH DETERMINING A CURRENT MARKET VALUE FOR THE SUBJECT PROPERTY. THE AUTHORIZED USE IS TO ASSIST ALBERT GELMAN INC. AND THE ONTARIO SUPERIOR COURT OF JUSTICE WITH A RECEIVERSHIP PROCESS ON THE SUBJECT PROPERTY AND FOR THE ONTARIO SUPERIOR COURT OF JUSTICE TO RELY ON WHEN MAKING A DETERMINATION AS TO WHETHER TO APPROVE A SALE TRANSACTION. VOID IF USED FOR ANY OTHER PURPOSE. ACCEPTANCE OF THIS REPORT BINDS THE FOLLOWING CONDITIONS.

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”) and the following conditions:

1. This report is prepared only for the authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property’s owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is

unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.

5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor

has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.

12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the authorized use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
17. Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
18. The appraiser measured the subject property and also relied on measurements from MPAC. It is assumed that these measurements are accurate and will be utilized in the report.
19. The appraiser was provided with income and expense information for the property that is assumed to be accurate and it was relied upon in this report.



CERTIFICATION

AUTHORIZED USER : Albert Gelman Inc. and the Ontario Superior Court of Justice
SUBJECT PROPERTY : 268 King St, Midland
INSPECTION DATE : May 12, 2025

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct, and I have considered all factors believed to affect the value of the property.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- My compensation is not contingent upon any action or event resulting from the analyses, opinions, or conclusions in or the use of the report.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the CUSPAP.
- I have the knowledge and experience to complete the assignment competently.
- I, Tracey Smith, have reviewed the report.
- Jonathan Knell, candidate appraiser, inspected the subject property
- I, Yehuda Belzberg have completed the report
- No one else provided significant professional assistance to the persons signing this report.
- The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report, we have fulfilled the requirements of the program.

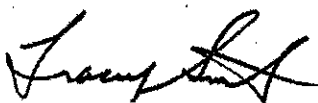
The final estimate of the current market value, as at the effective date of the appraisal date is: May 12, 2025.



Y. Belzberg

July 4, 2025

Yehuda Belzberg, Candidate Appraiser

Date



July 4, 2025

Tracey Smith, BA, AACI, P. App.

Date

APPENDIX F

TL SMITH APPRAISALS

tlsmith121861@yahoo.com

Tracey Smith, P.App; AACI +1 416-220-1842

COMPREHENSIVE UPDATED APPRAISAL

OF A
COMMERCIAL PROPERTY



LOCATED AT

268 KING ST
TOWN OF MIDLAND,
PROVINCE OF ONTARIO

AUTHORIZED USER

ALBERT GELMAN INC. AND THE ONTARIO SUPERIOR COURT OF JUSTICE


EFFECTIVE DATE

FEBRUARY 6, 2026

PART 1: LETTER OF TRANSMITTAL

TL SMITH APPRAISALS**tlsmith121861@yahoo.com****Tracey Smith, P.App; AACI +1 416-220-1842****February 9, 2026**

Authorized User: Albert Gelman Inc. and the Ontario Superior Court of Justice
Address Of Property: 268 King St, Midland
Authorized Client: Mr. Chris Rowe

Market Value: **Dear Mr. Rowe****RE: Valuation of a commercial building located at 268 King St, Town of Midland**

At the request of our client, I am forwarding the enclosed *Comprehensive Updated Appraisal Report* which comprises my valuation of the above described property. The purpose of this report is to estimate the current market value of the subject property. The property rights appraised are those of the Leased Fee interest, and the effective date of my valuation is February 6, 2026. The date of my inspection was May 12, 2025. The purpose is to estimate the current market value of the subject property and the authorized use of the appraisal is to assist with setting a sale price on the subject property as part of a receivership process and for the Ontario Superior Court of Justice to rely on when making a determination as to whether to approve a sale transaction. Void if used for any other purpose.

No person or party other than the authorized user specifically identified herein can rely on this report without first obtaining written authorization from the author of this report. Such authorization is at the discretion of the author and may only be issued with permission from the client of this report. The report is prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). This letter must be read together with the below-referenced report, with authorized signatures and attachments including all assumptions, limiting conditions and extraordinary items.

Albert Gelman Inc. and the Ontario Superior Court of Justice agrees that any reliance by *same* on the above-referenced report, is conditional on *Albert Gelman Inc. and the Ontario Superior Court of Justice* agreeing to be bound by all assumptions, limiting conditions and extraordinary items included in the above-referenced report and this reliance letter.

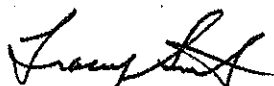
The site is located at 268 King St, Town of Midland and is improved with a 3,612 sf, 2 storey commercial building that consisted of one commercial unit on the ground floor and two residential units above.

The following appraisal report contains my estimate of market value of the above described property. In my opinion, the estimated current market value of the subject property effective date February 6, 2026 is:

[REDACTED]

The following report contains the data, analysis and conclusions supporting the valuation. I trust you will find this report satisfactory and that it fulfills its intended purpose.

Respectfully submitted,

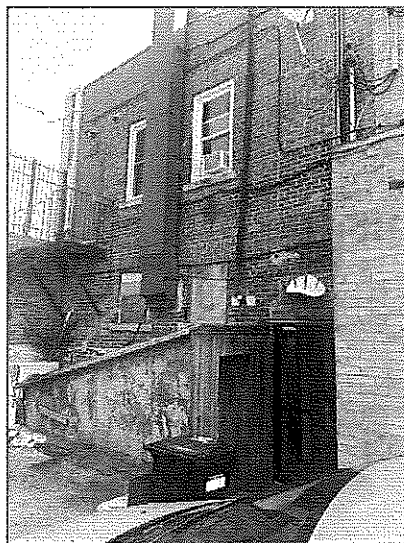
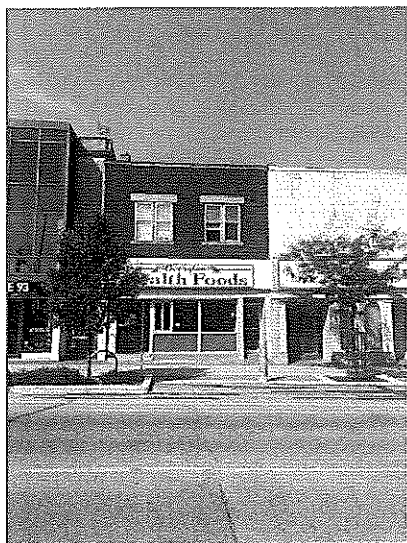


Tracey Smith, BA, AACI, P. App.

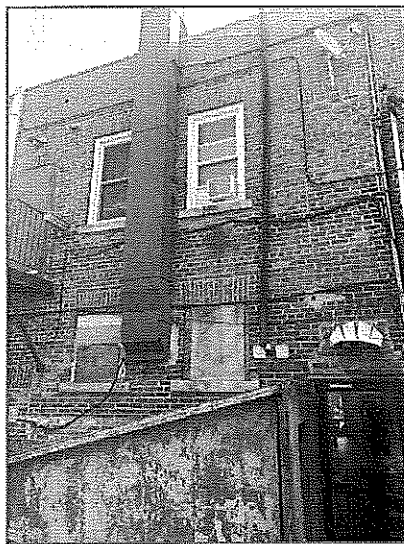
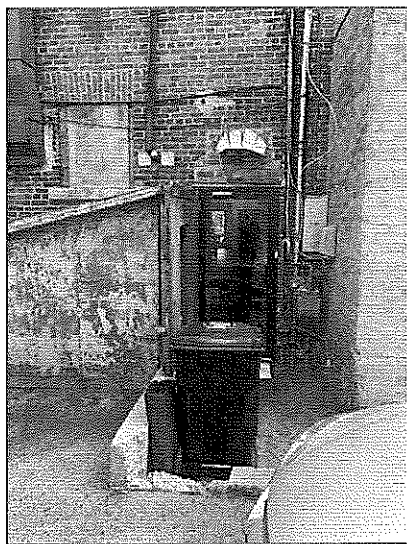


Yehuda Belzberg Candidate Appraiser

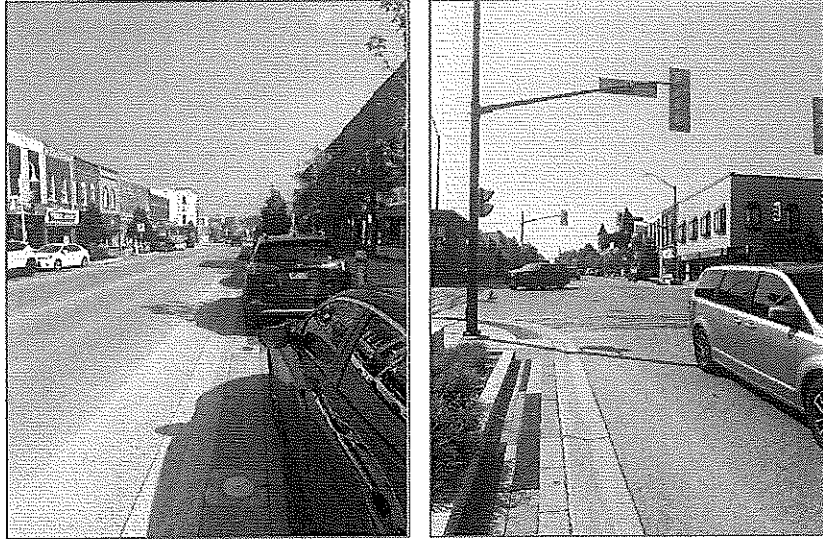
**Photographs of the Subject
Front & Rear Views**



Rear Views



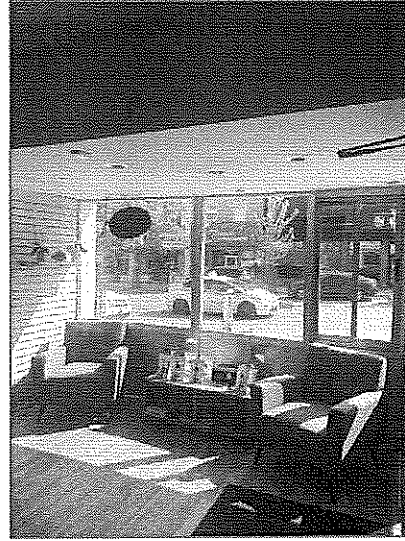
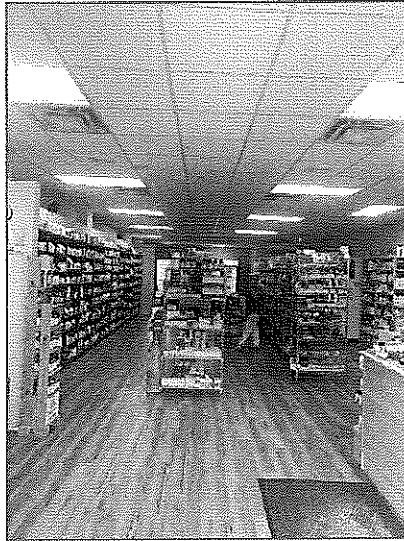
**Photographs of the Subject
Street Views**



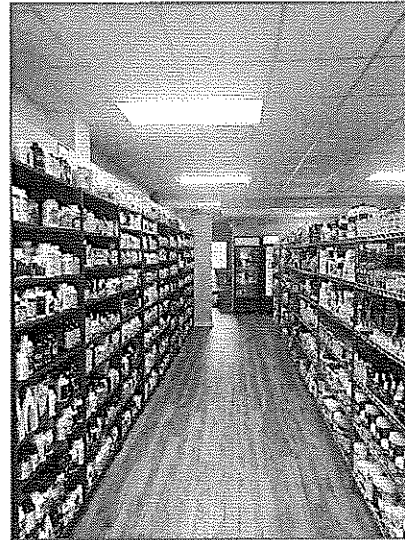
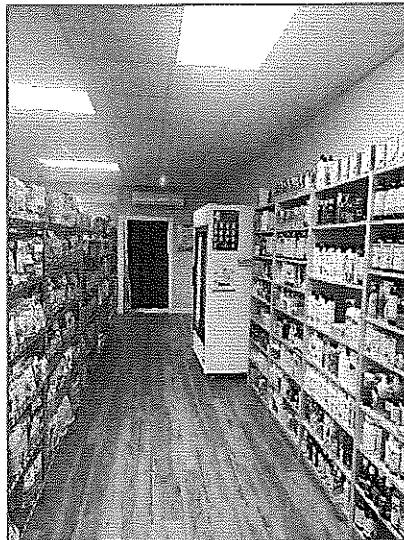
Front Entrance to Main Level and Entrance to 2nd Floor



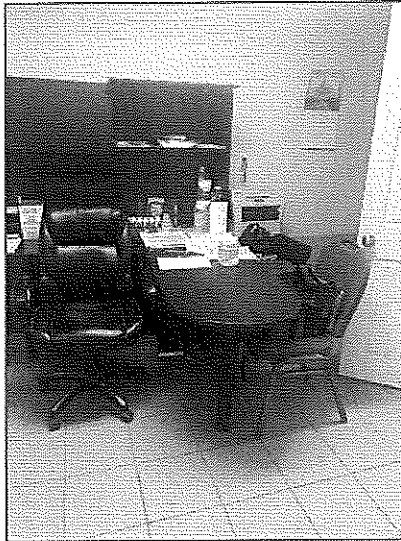
**Photographs of the Subject
Commercial/Retail Area**



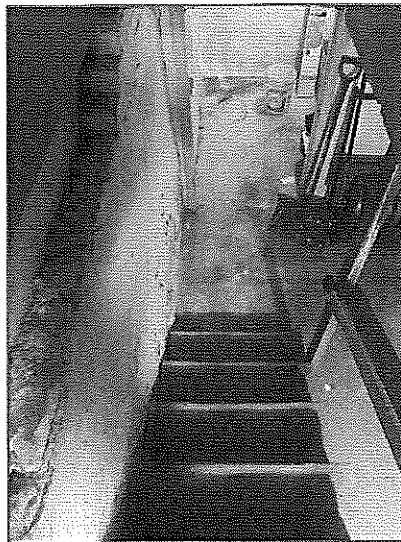
Commercial/Retail Area



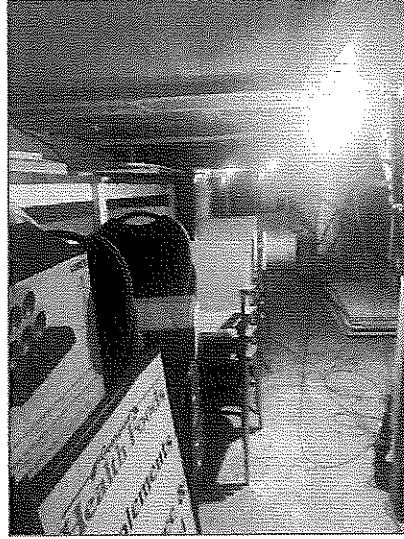
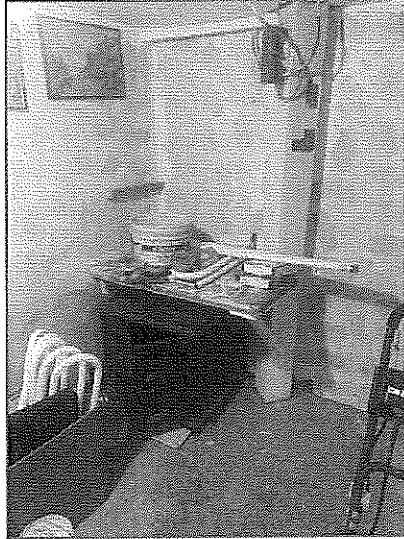
**Photographs of the Subject
Storage Closet & Office**



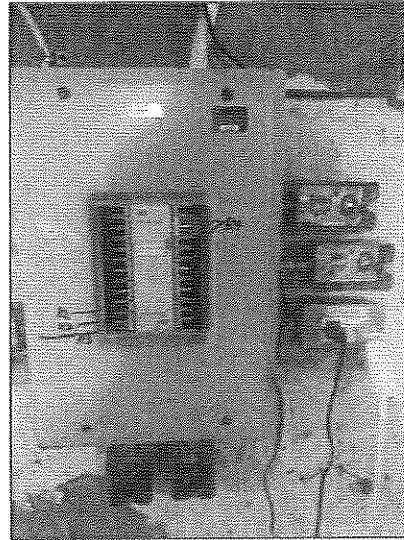
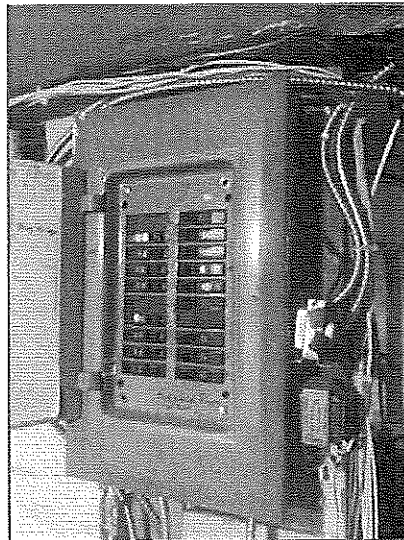
Washroom & Stairs to Basement



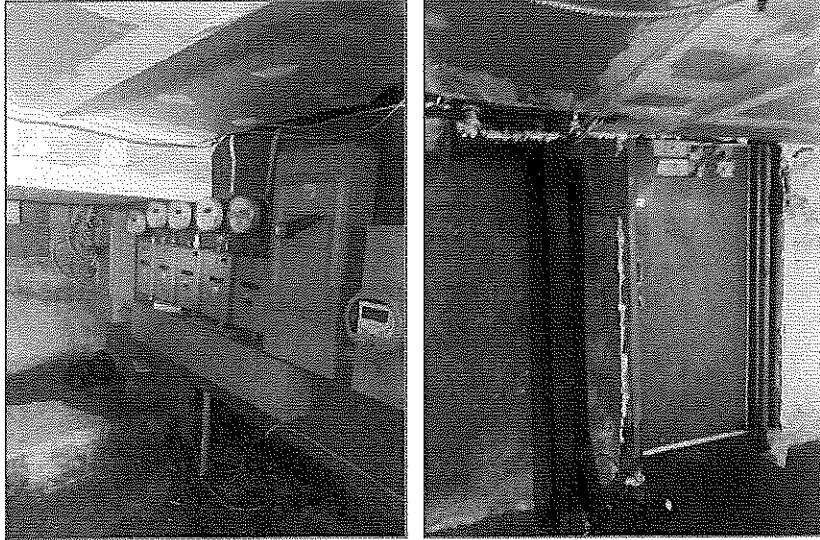
**Photographs of the Subject
Basement**



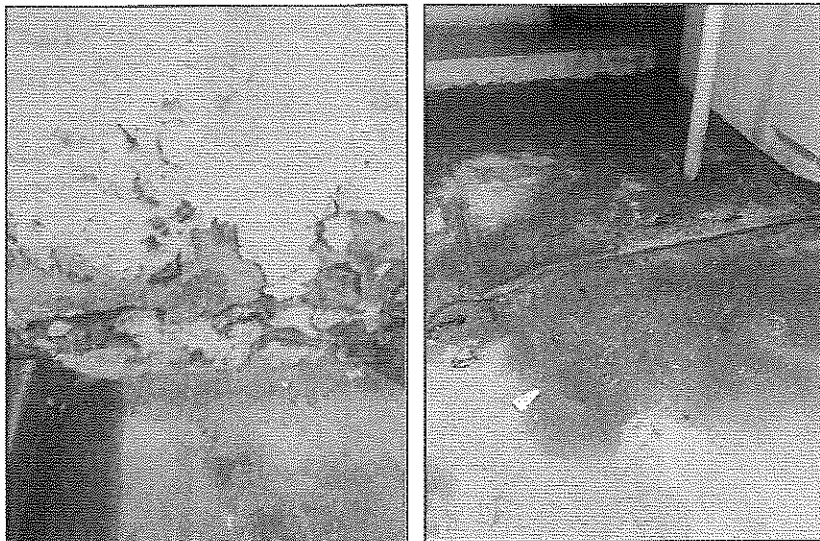
Basement



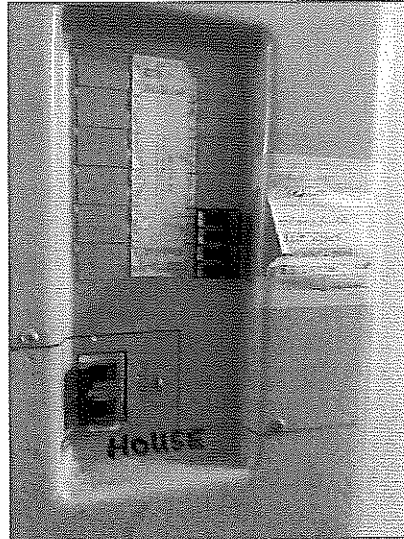
**Photographs of the Subject
Basement & Rear Door**



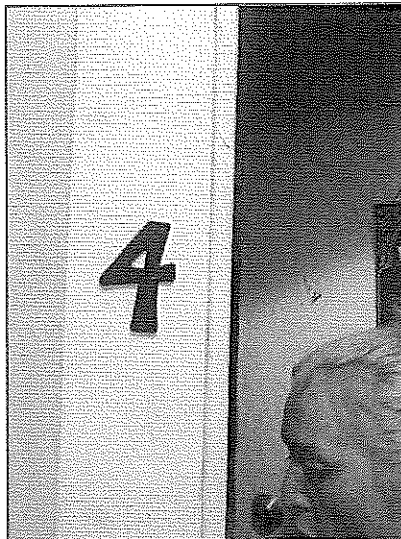
Basement



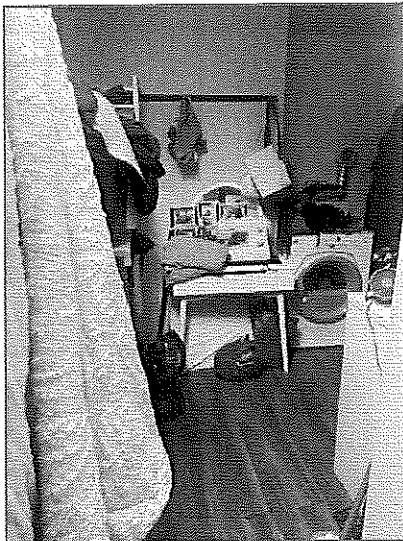
**Photographs of the Subject
2nd Floor Stairs**



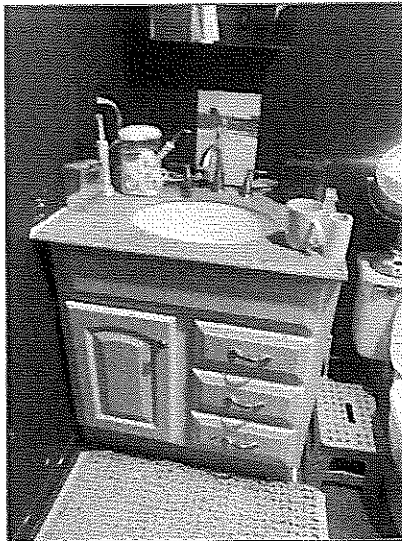
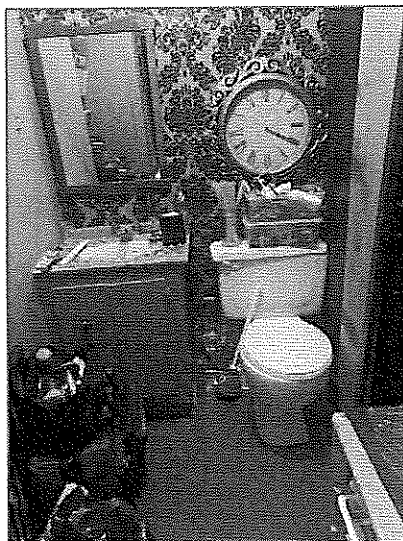
Apartment 4



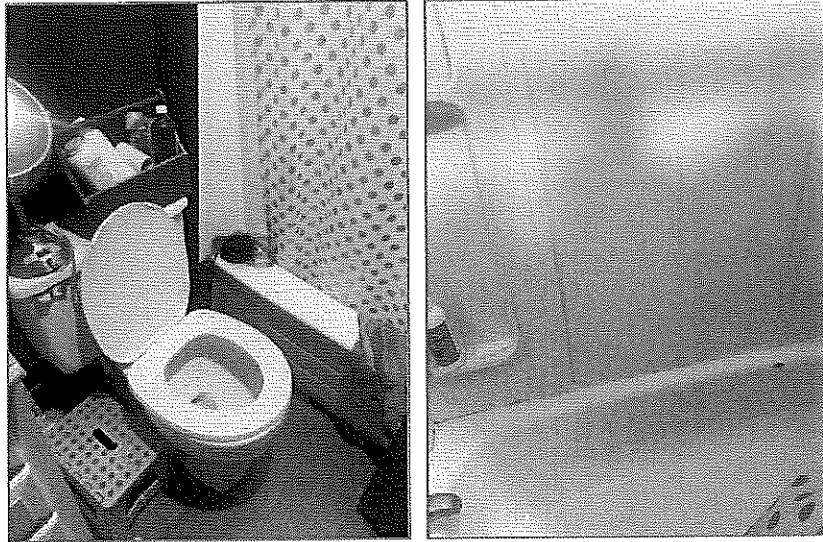
**Photographs of the Subject
2nd Floor Apartment Bedroom and Hallway**



Washrooms



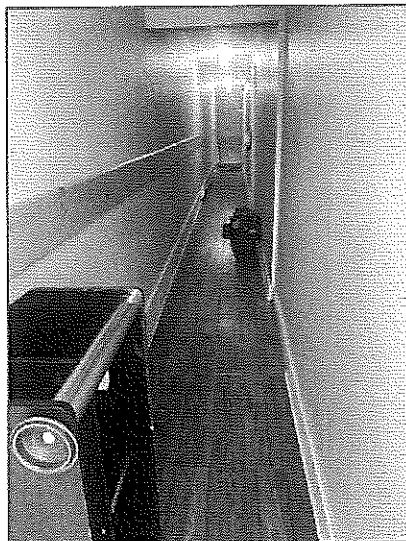
**Photographs of the Subject
Washrooms**



Bedroom



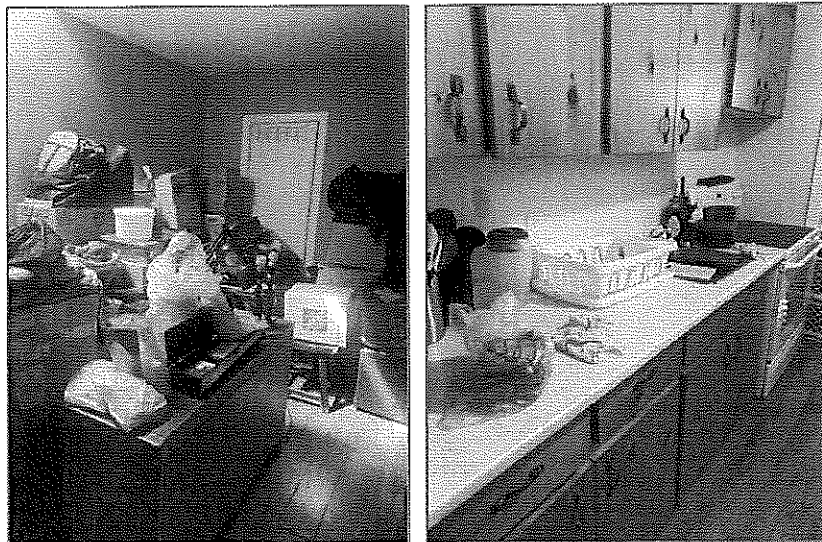
**Photographs of the Subject
2nd Floor Apartment Hallway & Rear Door**



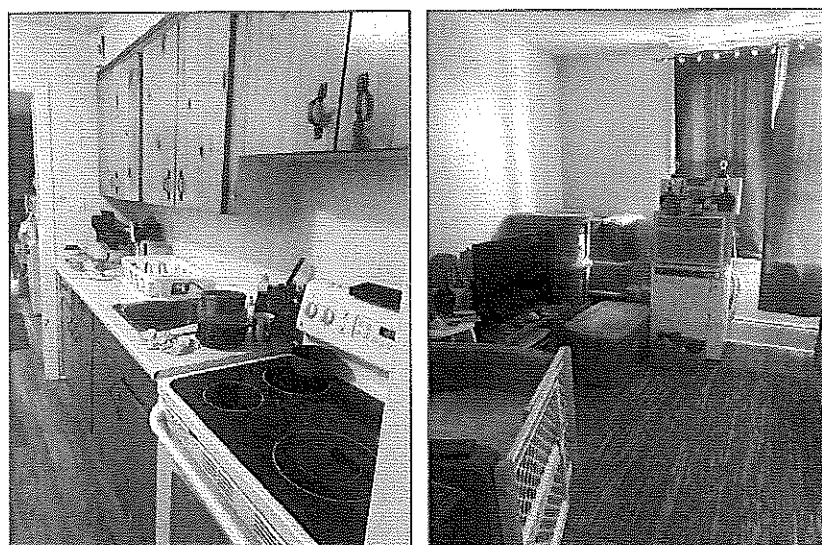
Fire Escape



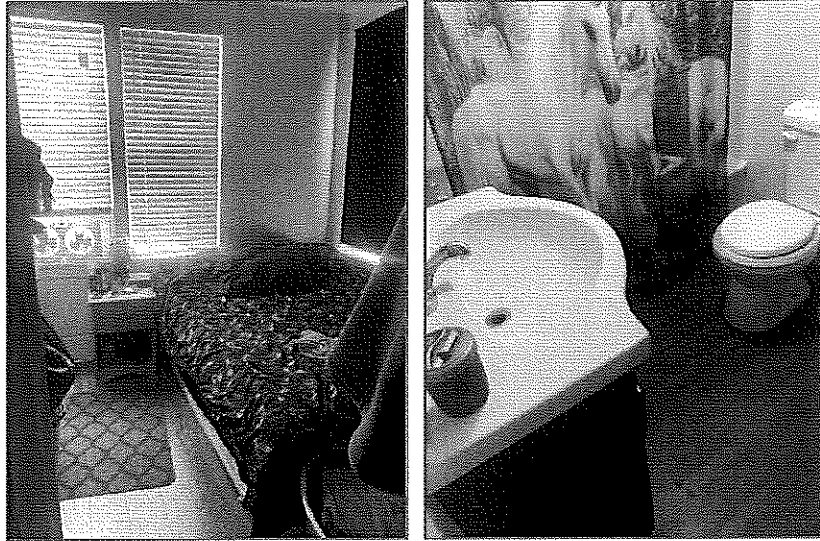
**Photographs of the Subject
Bedroom & Kitchen**



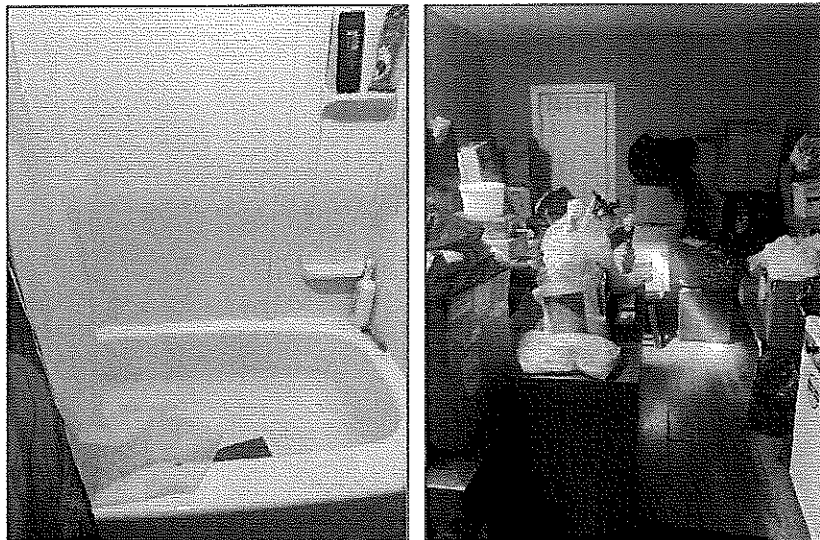
Kitchen & Living Area



**Photographs of the Subject
Washroom & Bedroom**



Washroom & Bedroom



**Photographs of the Subject
Washroom**



TABLE OF CONTENTS

PART I	
LETTER OF TRANSMITTAL.....	2
TABLE OF CONTENTS	17
SUMMARY OF SALIENT FACTS.....	18
PART II	
PURPOSE OF THE APPRAISAL	20
LOCATION	26
DESCRIPTION OF THE SITE.....	37
DESCRIPTION OF IMPROVEMENTS	38
LAND USE CONTROLS	40
HIGHEST AND BEST USE.....	42
PART III	
VALUATION TECHNIQUE.....	43
INCOME APPROACH	44
DIRECT MARKET COMPARISON APPROACH.	49
RECONCILIATION AND FINAL ESTIMATE OF VALUE.....	59
UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS	60
CERTIFICATION	63

SUMMARY OF SALIENT FACTS

LOCATION OF PROPERTY:	268 King St, Town of Midland, Province of Ontario
LEGAL DESCRIPTION:	Pt Lt 10 W/S King St Pl 306 Being Pt 1 51r7131 Town Of Midland
PIN:	584650122
REGISTERED OWNERS:	2416946 Ontario Ltd.
DATE OF INSPECTION:	May 12, 2025
EFFECTIVE DATE OF APPRAISAL:	February 6, 2026
SUBJECT SITE DIMENSIONS AREA:	24' x 111', Total Area: 2,519 sf. See aerial view for details.
IMPROVEMENTS:	3,612 sf 2 storey commercial building
PURPOSE OF THE APPRAISAL:	To estimate the current market value of the subject property as of the effective date of this appraisal.
AUTHORIZED USE OF APPRAISAL:	To assist with setting a sale price on the subject property as part of a receivership process and for the Ontario Superior Court of Justice to rely on when making a determination as to whether to approve a sale transaction. Void if used for any other purpose.
PROPERTY RIGHTS APPRAISED:	Leased Fee interest
TOWN OF MIDLAND ZONING:	DC: Downtown Core
HIGHEST AND BEST USE:	Current Use

VALUATION

Direct Comparison Approach
Income Approach – *Direct Capitalization*
Final Estimate of Value



PART II

FACTUAL DATA

PURPOSE OF THE APPRAISAL

Report Format

The Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) necessitates that an appraisal report be identified as one of the following types of reports:

Current – Refers to an appraisal where the effective date of the report is simultaneous with the date the report was prepared or inspected, where market conditions have not changed materially between the dates.

Retrospective – Refers to an appraisal where the effective date of the report precedes the inspection date or the date the report was prepared and whereby market conditions may be materially different in the time frame between these dates. In this type of appraisal the “retrospective” value is based on market conditions, perceptions and perspective that existed as of the effective date.

Prospective – Refers to an appraisal where the effective date of the report is after the inspection date or the date the report was prepared. In this type of appraisal the “prospective” value opinion is intended to reflect the projected market conditions to a future effective date.

Up-Date – Refers to an appraisal where the subject was previously appraised and has not undergone significant changes and/or the time between the effective date of the original appraisal and the up-date is not unreasonably long. It is an extension of a previously completed appraisal, updated to the effective date of the report and is intended for readers familiar with the original report of the subject property.

CUSPAP necessitates that an appraisal report be identified as one of the following types of reports which depends on the needs of the users and appraisers:

Comprehensive – comprehensive and detailed

Concise – concise and briefly descriptive

Form – a standard format combining check off boxes and short narrative comments.

The basic distinguishing difference between each different type of report is the level of detail of presentation.

Classification of the Appraisal

This is a Comprehensive Updated Appraisal Report which is Current Valuation intended to comply with the reporting requirements set forth by CUSPAP. As such, it presents a detailed discussion of the date, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the authorized use stated below. The appraiser is not responsible for unauthorized use of the report.

Purpose of the Appraisal

The purpose of this appraisal is to estimate the current market value of a 3,612 sf, 2 storey commercial building situated on a 2,519 sf irregular shaped site, as of February 6, 2026.

Authorized Use of the Appraisal

The authorized use of the appraisal is to assist with setting a sale price on the subject property as part of a receivership process and for the Ontario Superior Court of Justice to rely on when making a determination as to whether to approve a sale transaction. Void if used for any other purpose.

Extraordinary Assumptions

An extraordinary assumption refers to any hypothesis - either fictitious or unconfirmed - which, if not true, could alter the appraiser's opinions or conclusions.

The appraiser measured the subject property and also relied on measurements from MPAC. It is assumed that these measurements are accurate and will be utilized in the report.

The appraiser was provided with income and expense information for the property that is assumed to be accurate and it was relied upon in this report.

The appraiser inspected the property in May 12 2025. The appraiser was asked to provide an updated appraisal as of February 6, 2026. As per the client, the condition of the subject improvement was similar as of the effective date of this appraisal to the date of inspection. This is assumed to be accurate and if found to be inaccurate, the value contained herein is void.

If any of these assumptions are found to be inaccurate or incorrect then the value contained herein is subject to change and/or be VOID.

There are no other extraordinary assumptions to the conclusions of this report.

Extraordinary Limiting Conditions

Extraordinary limiting condition refers to the necessary modification or exclusion of any Appraisal Standard Rule that is outlined in the Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

There are no extraordinary limiting conditions to the conclusions of this report.

Description of the Subject Property

The subject consists of a 2 storey improvement with one commercial unit on the ground floor and two residential units above. The total above grade size of the subject improvement is 3,612 sf.

Effective Date

The effective date of this appraisal is February 6, 2026.

Legal Description

Pt Lt 10 W/S King St Pl 306 Being Pt 1 51r7131 Town Of Midland.

Property Rights Appraised

The property rights appraised are those of the Leased Fee Interest, in the real estate comprising the property.

History of the Subject

Address: 268 King St, Town of Midland, Province of Ontario
 Pin No: 584650122
 Consideration on Record: \$252,249
 Registration Date: 01/20/2015
 Owner: 2416946 Ontario Ltd.

A search of TREB MLS indicates that the subject property has been listed for sale a number of times in the last 36 months. Below is a summary of all the listings found on MLS:

10/17/2025	Price Changed	\$669,000	-4.29%	S12299236 268 King St	PropTx Explain match
9/9/2025	Price Changed	\$699,000	-9.10%	S12299236 268 King St	PropTx Explain match
7/22/2025	Listed for Sale	\$769,000		S12299236 268 King St	PropTx Explain match
7/11/2025	Terminated	--		S12028450 268 King St	PropTx Explain match
7/11/2025	Terminated	--		S12028449 268 King St	PropTx Explain match
3/19/2025	Listed for Sale	\$899,990		S12028450 268 King St	PropTx Explain match
3/19/2025	Listed for Sale	\$899,990		S12028449 268 King St	PropTx Explain match
3/18/2025	Terminated	--		S11961808 268 King St	PropTx Explain match
3/18/2025	Terminated	--		S11961800 268 King St	PropTx Explain match
2/7/2025	Listed for Sale	\$949,900		S11961808 268 King St	PropTx Explain match
2/7/2025	Listed for Sale	\$949,900	+5.56%	S11961800 268 King St	PropTx Explain match
11/20/2024	Expired	--		S8304202 268 King St	PropTx Explain match
11/19/2024	Expired	\$899,900		S10439887 268 King St	PropTx Explain match

6/11/2024	Price Changed	\$899,900	-3.23%	S8304202 268 King St	PropTx Explain match
6/11/2024	Price Changed	\$899,900	-3.23%	S10439887 268 KING St	PropTx Explain match
5/3/2024	Listed for Sale	\$929,900		S8304202 268 King St	PropTx Explain match
4/26/2024	Listed for Sale	\$929,900	+66.35%	S10439887 268 KING St	PropTx Explain match

As can be seen it appears that subject property was listed for sale initially on 04/26/2024 for \$929,900. The price then appeared to change a number of times and the listings expired with the property then being relisted for sale. As of the effective date of this appraisal it appeared that the subject was being actively marketed for sale for \$669,000. No other listings were found on TREB/MLS for the subject property in the last 36 months.

As per Geowarehouse the subject property was last registered on 01/20/2015 for a consideration of \$252,249. The appraiser has had dealings with the subject property in the last 60 months.

Property Assessment

The subject property is assessed for 2025 municipal taxes as follows:

Address: 268 King St, Town of Midland, Province of Ontario
 Assessed Value: \$271,000
 Realty Taxes 2025: ~\$6,000 (as recent MLS listing)

Definition of Market Value

Market value, as defined by the Appraisal Institute of Canada, and as used in this Report is:

"The most probable price in terms of money at which a property should bring in a competitive and open market under all conditions requisite for a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by any undue stimuli.

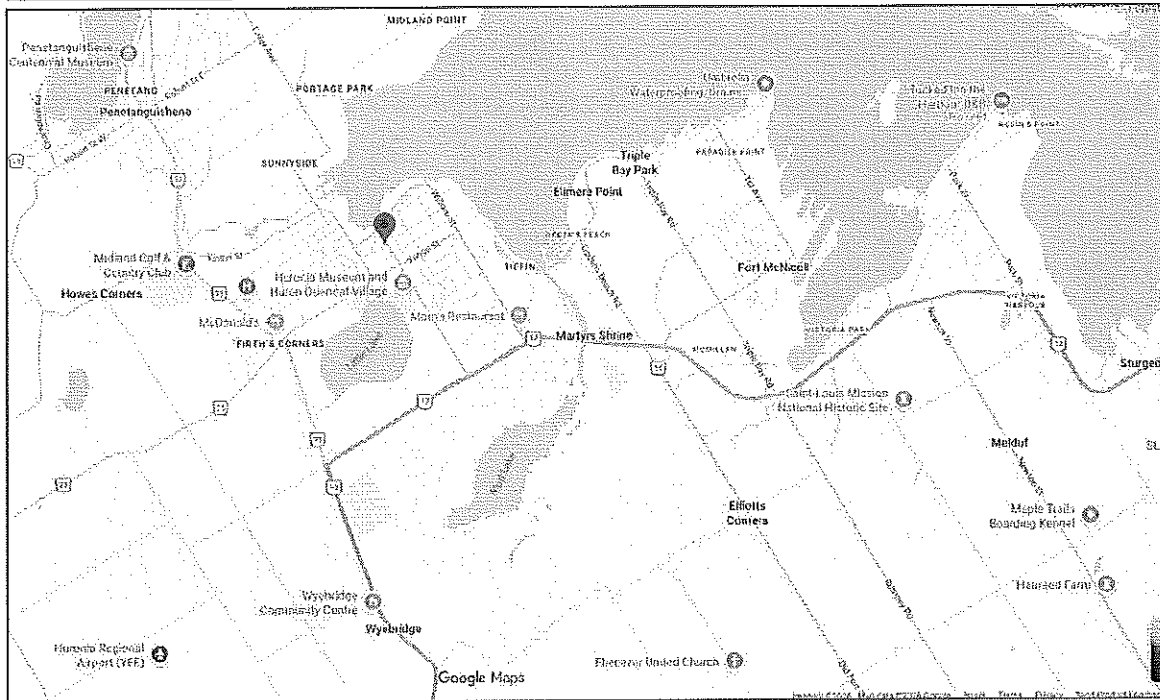
Implicit in this definition are the consummation of a sale as of a specific date and the passage of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated.*
2. *Both parties are well informed or well advised, and are acting in what they consider their best interest.*
3. *A reasonable time is allowed for exposure in the open market.*
4. *Payment is made in terms of cash and Canadian dollars or in terms of financial arrangements comparable thereto, and*
5. *The price represents the normal consideration for the property sold, unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."*

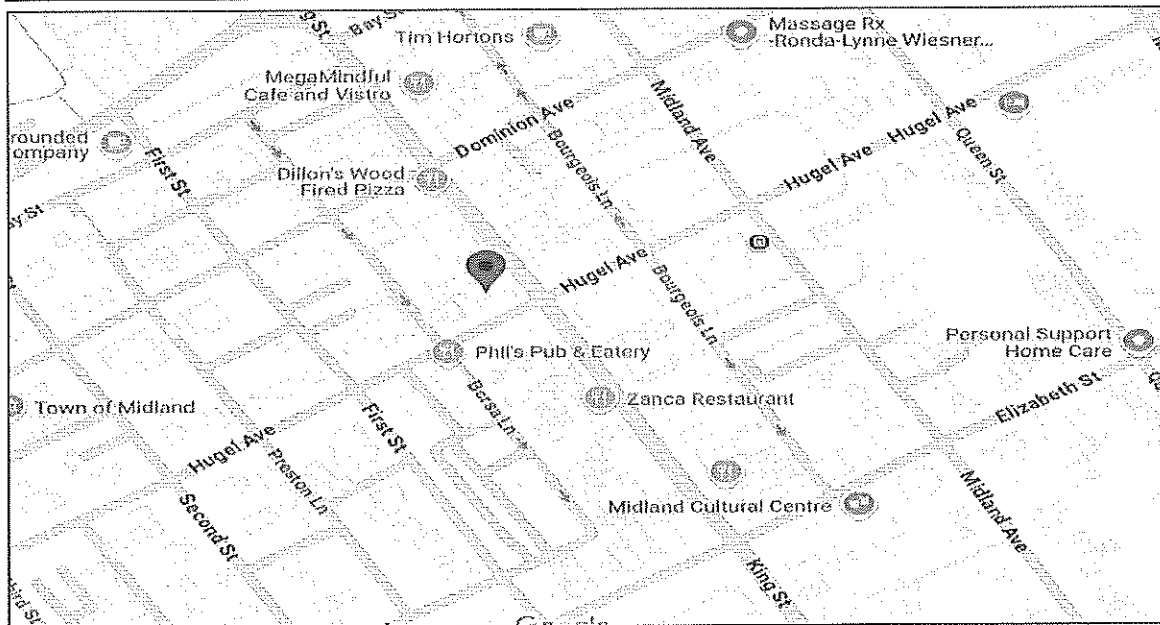
Scope of the Assignment

- The scope of this report outlines our framework for the assignment.
- An exterior and interior inspection of the property was completed on February 6, 2026.
- A Town of Midland's Official Plan and Zoning By-Law designations were all reviewed.
- The Comparable Sales and the subject properties boundaries and areas are based on TREB MLS, Costar and Geowarehouse records.
- Analysis of the highest and best use of the subject property was completed having regard to the land use controls. I have relied on discussions with municipal planning personnel and our own experience.
- The Direct Market Comparison and Income Approach was used to estimate the current market value of the subject.
- Sales data was extracted from the Toronto Real Estate Board, the Mississauga Real Estate Board, Real Track, Costar and Land Registry. The comparable sales were all inspected and an analysis of the sales was completed.
- Market research consisted of analyzing sales of comparable properties in the general vicinity of the subject property which took place over the past three years.
- My valuation and conclusions are subject to the accuracy of the information readily available.

LOCATION MAP



NEIGHBOURHOOD MAP



LOCATION & MARKET OVERVIEW

MARKET OVERVIEW:

The Bank of Canada on January 28th, 2026, held its target for the overnight rate at 2.25%, with the Bank Rate at 2.5% and the deposit rate at 2.20%.

The outlook for the global and Canadian economies is little changed relative to the projection in the October *Monetary Policy Report* (MPR). However, the outlook is vulnerable to unpredictable US trade policies and geopolitical risks.

Economic growth in the United States continues to outpace expectations and is projected to remain solid, driven by AI-related investment and consumer spending. Tariffs are pushing up US inflation, although their effect is expected to fade gradually later this year. In the euro area, growth has been supported by activity in service sectors and will get additional support from fiscal policy. China's GDP growth is expected to slow gradually, as weakening domestic demand offsets strength in exports. Overall, the Bank expects global growth to average about 3% over the projection horizon.

Global financial conditions have remained accommodative overall. Recent weakness in the US dollar has pushed the Canadian dollar above 72 cents, roughly where it had been since the October MPR. Oil prices have been fluctuating in response to geopolitical events and, going forward, are assumed to be slightly below the levels in the October report.

US trade restrictions and uncertainty continue to disrupt growth in Canada. After a strong third quarter, GDP growth in the fourth quarter likely stalled. Exports continue to be buffeted by US tariffs, while domestic demand appears to be picking up. Employment has risen in recent months. Still, the unemployment rate remains elevated at 6.8% and relatively few businesses say they plan to hire more workers.

Economic growth is projected to be modest in the near term as population growth slows and Canada adjusts to US protectionism. In the projection, consumer spending holds up and business investment strengthens gradually, with fiscal policy providing some support. The Bank projects growth of 1.1% in 2026 and 1.5% in 2027, broadly in line with the October projection. A key source of uncertainty is the upcoming review of the Canada-US-Mexico Agreement.

CPI inflation picked up in December to 2.4%, boosted by base-year effects linked to last winter's GST/HST holiday. Excluding the effect of changes in taxes, inflation has been slowing since September. The Bank's preferred measures of core inflation have eased from 3% in October to around 2½% in December. Inflation was 2.1% in 2025 and the Bank expects inflation to stay close to the 2% target over the projection period, with trade-related cost pressures offset by excess supply.

Monetary policy is focused on keeping inflation close to the 2% target while helping the economy through this period of structural adjustment. Governing Council judges the current policy rate remains appropriate, conditional on the economy evolving broadly in line with the outlook we published today. However, uncertainty is heightened

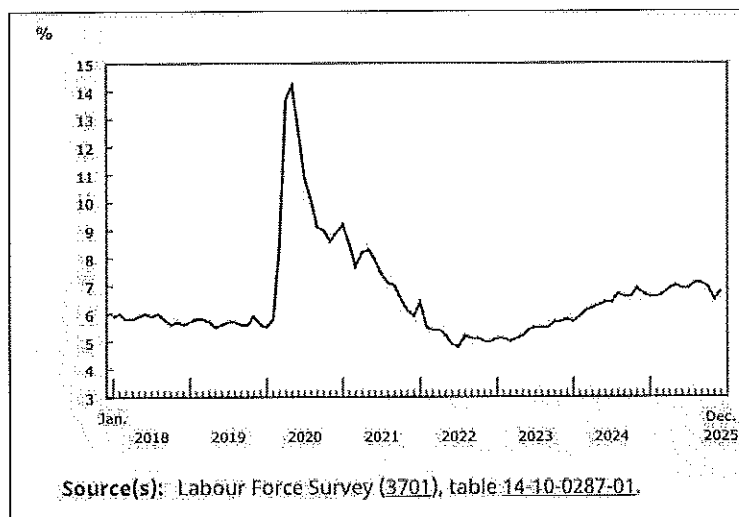
and we are monitoring risks closely. If the outlook changes, we are prepared to respond. The Bank is committed to ensuring that Canadians continue to have confidence in price stability through this period of global upheaval.

Employment Trends:

Employment was little changed (+8,200; 0.0%) in December. This followed three consecutive monthly increases in September, October and November (totalling 181,000; +0.9%). The employment rate—the percentage of the population aged 15 years and older who are employed—held steady at 60.9% in December.

Full-time employment rose by 50,000 (+0.3%) in December while part-time employment fell by 42,000 (-1.1%). The decline in part-time work in the month partially offsets a cumulative gain of 148,000 (+3.9%) in October and November. Over the 12 months to December 2025, part-time employment rose at a faster pace (+2.6%; +99,000) than full-time employment (+0.7%; +128,000).

In December, there was little change in the number of private and public sector employees, as well as in the number of self-employed workers.



Unemployment Trends December 2025

Monthly Housing Market Report:

Ottawa, ON January 15, 2026 – The number of home sales recorded over Canadian MLS® Systems declined 2.7% on a month-over-month basis in December 2025. (Chart A)

On an annual basis, transactions totalled 470,314 units in 2025, a decrease of 1.9% from 2024. The year was characterized by a tariff-induced flight of buyers back to the sidelines in the first quarter, followed by a decent sales rally mid-year, and a bit of a stall to finish off 2025.

“There doesn’t appear to have been much rhyme or reason to the month-over-month decline in home sales in December, which was simply the result of coincident but seemingly unrelated slowdowns in Vancouver, Calgary, Edmonton, and Montreal,” said Shaun Cathcart, CREA’s Senior Economist. “For that reason, it would be prudent for market observers to resist the temptation to trace a line from the end of 2025 into 2026. Rather, we continue to

expect sales to move higher again as we get closer to the spring, rejoining the upward trend that was observed throughout the spring, summer, and early fall of last year.”

December Highlights:

- National home sales declined 2.7% month -over-month.
- Actual (not seasonally adjusted) monthly activity came in 4.5% below December 2024.
- The number of newly listed properties dropped 2% on a month -over-month basis .
- The MLS® Home Price Index (HPI) dipped 0.3% month-over-month and was down 4% on a year-over-year basis.
- The actual (not seasonally adjusted) national average sale price was virtually unchanged (-0.1%) on a year-over-year basis.

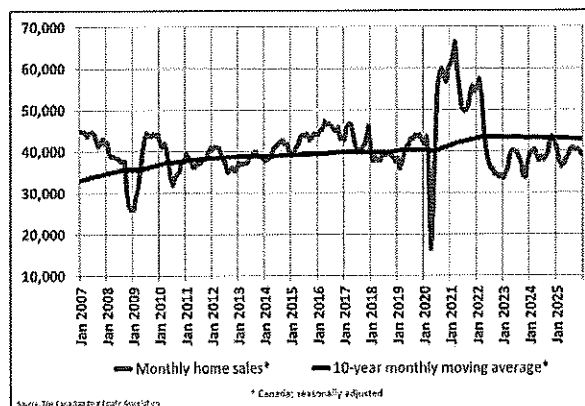


Chart A

New supply declined by 2% on a month -over-month basis in December, marking a fourth straight monthly drop. Combined with a slightly larger decrease in sales activity in December, the sales -to-new listings ratio eased to 52.3% compared to 52.7% in November. This remains close to the long-term average national sales-to-new listings ratio of 54.9%. Readings roughly between 45% and 65% are generally consistent with balanced housing market conditions.

There were 133,495 properties listed for sale on all Canadian MLS® Systems at the end of December 2025, up 7.4% from a year earlier but 9.9% below the long -term average for that time of year. Inventories have been falling since May 2025 owing to the mid -year rally in demand, meaning active listings could be back posting year-over-year declines around the time this year’s spring market gets going.

“While we remain in the quiet time of year for a little while longer, the spring market is now just around the corner, and it is expected to benefit from four years of pent -up demand, and interest rates that at this point are about as good as they are going to get,” said Valérie Paquin, CREA Chair. “Barring any further major uncertainty -causing events, that means we should see a more active market this year. You can get a jump on your 2026 housing plans by contacting a local REALTOR ®.”

There were 4.5 months of inventory on a national basis at the end of December 2025, up slightly from 4.4 months where the measure had been since August. The long -term average for this measure of market balance is five months of inventory. Based on the measure of one standard deviation above and below that long -term average, a seller’s market would be below 3.6 months, and a buyer’s market would be above 6.4 months.

The National Composite MLS ® Home Price Index (HPI) fell by 0.3% between November and December 2025. It was similar to the dip recorded in November and could reflect some sellers making price concessions in order to sell properties before the end of the year. Most overall price softening in December came from markets in Ontario’s Greater Golden Horseshoe region.

The non-seasonally adjusted National Composite MLS ® HPI was down 4% compared to December 2024. (Chart B)

Under the surface, year -over-year declines are larger for condo apartments and townhomes, and smaller for one - and two-storey detached homes.

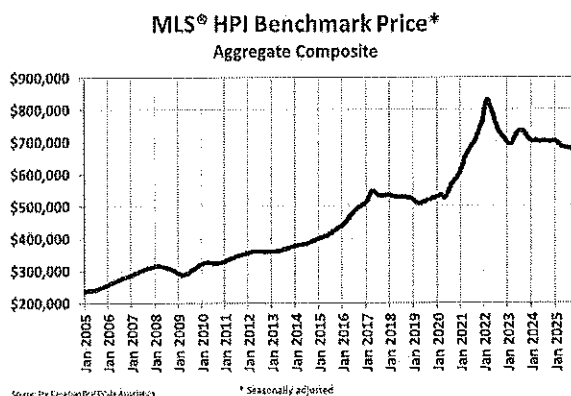


Chart B

The non-seasonally adjusted national average home price was \$673,335 in December 2025, virtually unchanged (-0.1%) from December 2024.

Cap Rate & Investment Trends: Q4, 2025:

Real estate investment activity turned notably stronger in late 2025 as investor confidence and appetites grew, particularly for office amid a considerable rebound in sentiment. Momentum is being driven by a broadening base of active purchaser groups and supported by robust debt liquidity. Major pending M&A deals further signal conviction in the market. While geopolitical tensions and macro uncertainty persists, these highlight Canada’s qualities of safety, stability and predictability, which bodes well for real estate in 2026. — Overall cap rates continued to edge lower, with the national average of all properties yield compressing 3 bps to 6.63% in Q4 2025. Cap rates were lower across every asset class led by seniors housing and downtown office while multifamily yields were slightly higher. — Following three

consecutive years of rising real estate yields, the national average cap rate recorded its first marginal annual decrease of 5 bps in 2025. As cap rates have largely held steady over the last few quarters, volatility in the Canada 10-year bond yield has been the main reason for changes in real estate spreads, which tightened to 320 bps in Q4 2025.

Q4 2025 Cap Rates				
		Δ/Q/Q		Δ/Q/Q
Downtown Office				
AA	6.88%	▼	High Rise A	4.44% ◀▶
A	7.92%	▼	High Rise B	4.78% ▲
B	8.80%	▼	Low Rise A	4.68% ▲
Suburban Office				
A	8.09%	▼	Low Rise B	4.91% ▲
B	9.02%	◀▶	New Construction	4.63% ▲
Industrial				
A	5.91%	▼	Seniors Housing	
B	6.42%	▼	Independent/ Assisted Living A	6.00% ▼
			Independent/ Assisted Living B	8.17% ◀▶
			Long Term Care A	7.14% ▼
Retail				
Regional	6.41%	▼	Hotel	
Power	6.67%	▼	Downtown Full Service	7.64% ▼
Neighbourhood	6.58%	▼	Suburban Limited Service	9.17% ◀▶
Strip	6.06%	▼	Focused Service	8.63% ◀▶
Strip (non-anchored)	6.55%	▼		
Urban Streetfront	6.25%	▼		
High Street	6.38%	◀▶		

Industrial								
Class A		Class B		2026 Q1 Prediction				
Low	High	Low	High	A	B			
5.50%	6.50%	5.75%	6.75%	◀▶	◀▶			
Downtown Office								
Class A		Class B		2026 Q1 Prediction				
Low	High	Low	High	A	B			
6.00%	7.00%	6.25%	7.50%	◀▶	◀▶			
Suburban Office								
Class A		Class B		2026 Q1 Prediction				
Low	High	Low	High	A	B			
6.50%	8.00%	7.50%	9.00%	◀▶	◀▶			
Retail								
Regional/Power		Grocery/Community		Neighbourhood/Strip		2026 Q1 Prediction		
Low	High	Low	High	Low	High	R	G	N
5.50%	6.75%	5.25%	6.25%	5.25%	6.25%	◀▶	▼	▼
Multi-Family Apartment								
High-Rise			Low-Rise			2026 Q1 Prediction		
Low	High		Low	High		A	B	
4.00%	4.75%		4.00%	4.75%		◀▶	◀▶	

CBRE/Colliers Cap Rate Report Q4 2025 Toronto

Midland

Midland, Ont, was incorporated as a town in 1890. The Town of Midland is located on Midland Bay, an inlet of Georgian Bay. It is about 145 km by road north of Toronto.

The area was part of Huronia before the arrival of Europeans, and Sainte-Marie Among the Hurons (just outside present-day Midland) was the first European settlement to be established inland from the St Lawrence Valley. Constructed by Jesuit missionaries in 1639, Sainte-Marie was a base for missionary work among the Huron until it was abandoned in 1649. Settlers arrived in the 1840s and it was known as Mundy's Bay, Hartley's Landing and Aberdare.

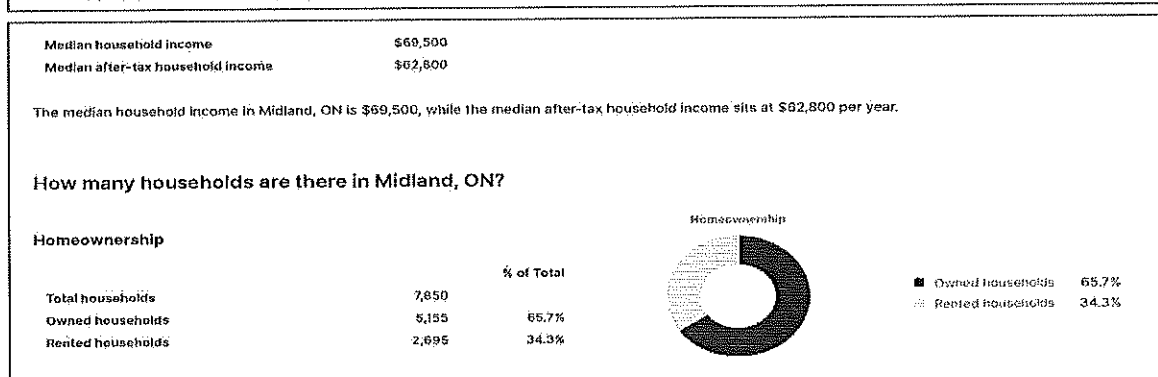
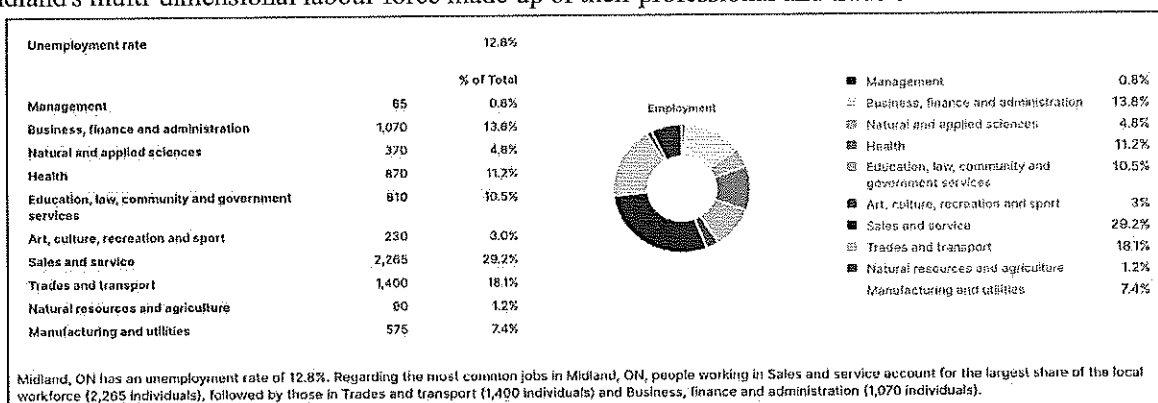
The modern development of the town began in 1871 when it was selected as the western terminus of the Midland Railway from Port Hope via Beaverton. The surveyed townsite was renamed Midland City ("City" was dropped when incorporated as a town) by the railway company in 1872. The railway (opened in 1879) stimulated the logging

industry and the town developed extensive harbour facilities and grain elevators. Shipbuilding was also one of the mainstays of the economy for most of the first half of the 20th century, until the shipyards were transferred to Collingwood.

Today, the service and trade sectors as well as light manufacturing are the basis of the economy. The Huronia Museum and Huron-Ouendat Village recreate Huron life before the Europeans arrived. The nearby Jesuit Martyrs' Shrine and Wye Marsh Wildlife Centre also attract hundreds of thousands of visitors every year. Midland serves as a "waterway" to the popular Thirty Thousand Islands of Georgian Bay.

The Town of Midland has a current estimated population of 18,618. The population was recorded at 17,817 in the 2021 Canadian Census, and was previously recorded at 16,864 in the 2016 census. This is a change in population of 953, which is an annual growth rate of 1.11%.

Midland boasts many outstanding businesses and industries, including: ELCAN Optical Technologies, General Mills Canada, TRW Vehicle Safety Systems, Unimin Canada Limited, Saint-Gobain Technical Fabrics, ADM Milling Co., Kindred Industries, Weber Manufacturing Ltd., NEBS Business Forms and others. This is a testament to Midland's multi-dimensional labour force made up of their professional and trade skill workers.



Taxation & General	Notes	#2023 Actuals (\$)	2023 Approved Budget (\$)	2024 Approved Budget (\$)	2025 Base Budget (\$)	2025 One Time (\$)	2025 Total Budget Request (\$)	2025 Change (\$)	2025 Change (%)
Revenue									
Draw from Reserve	1	-150,032	-700,000	-619,158	-100,000	-	-100,000	519,158	-83.8%
Fees, Service Charges, and Rentals		-12,670	-	-	-	-	0	-	
Fines and penalties		-406,743	-387,400	-387,400	-387,400	-	-387,400	-	0.0%
Grants & External Contributions		-617,329	-616,400	-599,000	-599,000	-	-599,000	-	0.0%
Interest and Investment Income		-1,007,438	-300,000	-550,000	-550,000	-	-550,000	-	0.0%
Taxation	2	-27,177,887	-27,098,794	-29,100,556	-30,883,198	-	-30,883,198	-1,782,642	6.1%
Revenue Total		-29,372,099	-29,102,594	-31,256,114	-32,519,598	-	-32,519,598	-1,263,484	4.0%
Expense									
Salaries & Benefits		0	-200,000	-	-	-	-	-	
Fees Expense		6,558	-	-	-	-	-	-	
Fines and penalties		178	-	-	-	-	-	-	
Insurance	3	-	-	-50,000	-	-50,000	-50,000	-	0.0%
Interdepartment Transfers - Corporate S&B		-	-	188,251	191,642	-	191,642	3,391	1.8%
Materials & Supplies		-59	-	-	-	-	-	-	
Organizational Changes	4	321,474	700,000	300,000	-	-	-	-300,000	-100.0%
Protective clothing, uniforms, subscriptions, and memberships	5	-	-	-	-	-20,000	-20,000	-20,000	
Rebates	6	13,489	18,000	18,000	22,000	-	22,000	4,000	22.2%
Support to BIA		109,403	110,000	175,000	175,000	-	175,000	-	0.0%
Training, travel, meetings, and conferences	7	-	-	-	-	-69,000	-69,000	-69,000	
Transfer to Reserve		1,900,247	774,435	1,113,129	1,117,435	-	1,117,435	4,306	0.4%
Write-offs		-38,237	100,000	100,000	100,000	-	100,000	-	0.0%
Expense Total		2,313,053	1,502,435	1,844,380	1,606,077	-139,000	1,467,077	-377,303	-20.5%
Net Revenue		-27,059,046	-27,600,159	-29,411,734	-30,913,521	-139,000	-31,052,521	-1,640,787	5.6%

*2023 Actuals (\$) unaudited

Source: Town of Midland website

Executive Summary

2025 Tax Increase

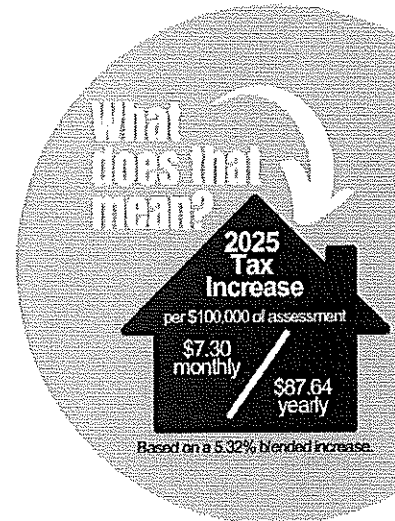
There are many factors considered when developing a budget. Decisions such as balancing the demands of a growing community with inflationary market impacts coupled with decisions of previous Councils pose challenges for municipalities.

As a result, considerable time was spent in exploring strategies to achieve operational efficiencies, service level reduction options and revenue generating initiatives required to reduce the operating budget targets below inflation.

Breakdown of the 2025 Tax Levy Increase and Impact on Tax Rate

	Tax Levy Increase (Decrease)	Tax Rate Impact	
		Town	Blended*
Maintain Service Levels for Town Operations	\$597,457	2.1%	
OPP Contracted Services	\$671,937	2.4%	
Operational Subsidy for OPP Services	\$(368,221)	-1.3%	
Operational Subsidy for Other Services	\$(55,000)	-0.2%	
Reserve Contributions for Asset Replacement	\$785,563	2.8%	
Assessment Growth	\$(170,400)	-0.6%	
Subtotal	\$1,461,336	5.15%	
New Investment and Service Recommendations	\$268,595	0.9%	
Council Requests	\$(55,500)	-0.2%	
Agencies, Boards and Commissions (ABC)	\$150,909	0.5%	
Sustainable Capital Levy	-		
Total	\$1,825,340	6.43%	5.32%

* Assumes 3.625% increase in Town's share of County levy



Source: Town of Midland website

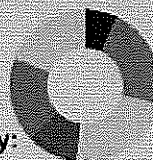
Highlights from the 2025 Budget Survey: By the Numbers

Quality of life:



65% ranked as good or better

Most important issues facing our community:



- 23% - Economy
- 22% - Safety
- 19% - Social
- 18% - Health
- 11% - Environment
- 7% - Accessibility

Satisfaction with Town Services:

57% of respondents were satisfied or very satisfied



Roads and sidewalks ranked as the #1 budget priority.



How should we balance the budget?

42% - Increase User Fees

23% - Introduce New User Fees

13% - Increase Property Taxes

11% - Reduce Services

9

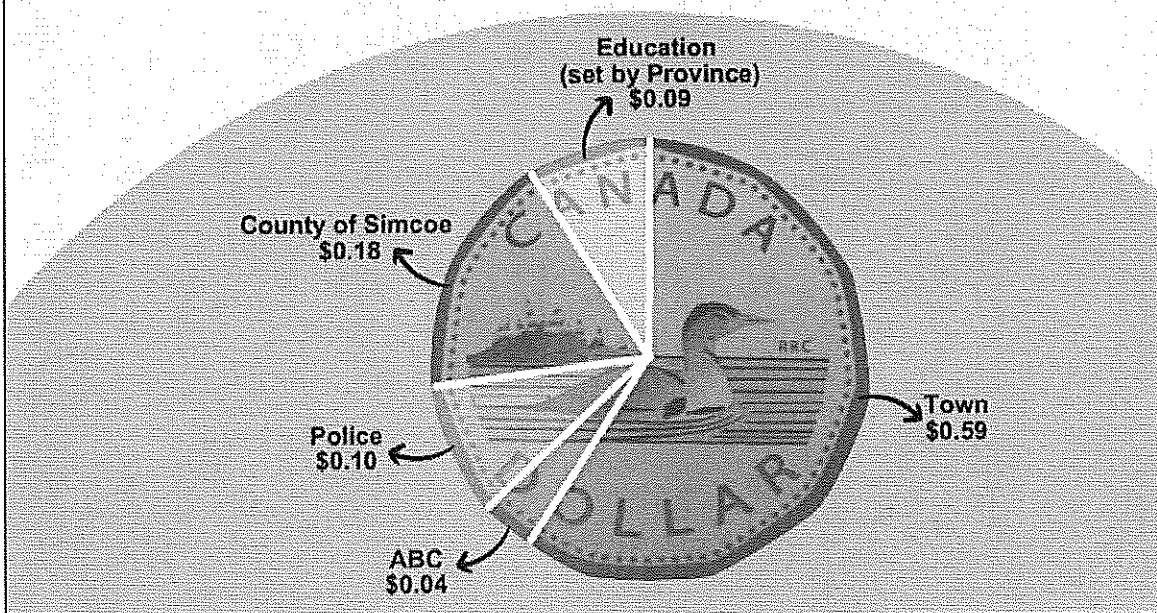
Source: Town of Midland website

Executive Summary

Your Taxes

While the Town provides numerous critical services that affect your everyday life, we receive a small portion of total tax pay each year compared to other levels of government. Regardless, we strive to create a community that is an affordable place to live, work and play.

We believe that every dollar you provide is an investment to make sure you enjoy all that Midland has to offer. We do our best to maintain existing services, provide new services, and minimize taxes. We frequently review our services to ensure they continue to provide value to our community.



Source: Town of Midland website

DOWNTOWN OFFICE			MULTIFAMILY		
	Cap Rate	Δ Q/Q		Cap Rate	Δ Q/Q
A/A	10.5%		High Rise A	4.05% - 4.75%	↔
A	2.00% - 2.65%	↔	High Rise B	4.05% - 4.90%	↔
B	2.75% - 3.75%	↔	Low Rise A	4.25% - 4.25%	↔
			Low Rise B	4.05% - 4.85%	↔
SUBURBAN OFFICE			SENIORS HOUSING		
A	6.75% - 6.75%	↔	Independent/Assisted Living A	6.00% - 6.50%	↔
B	6.50% - 7.25%	↔	Independent/Assisted Living B	7.00% - 8.00%	↔
INDUSTRIAL			LONG TERM CARE A		
A	6.50% - 6.25%	↔		6.75% - 7.25%	▼
B	4.75% - 4.25%	↔			
RETAIL			HOTEL		
Regional	8.75% - 7.75%	▲	Domestic Full Service	8.00% - 9.50%	↔
Power	4.50% - 4.25%	↔	Suburban Limited Service	6.00% - 6.50%	↔
Neighbourhood	5.50% - 6.25%	↔	Extended Stay	6.00% - 6.50%	↔
Strip (non-anchored)	6.25% - 7.00%	↔			
Neighbourhood	6.00% - 7.00%	↔			
High Street	8.5%				

CBRE Q4 2025 CAP RATE REPORT LONDON

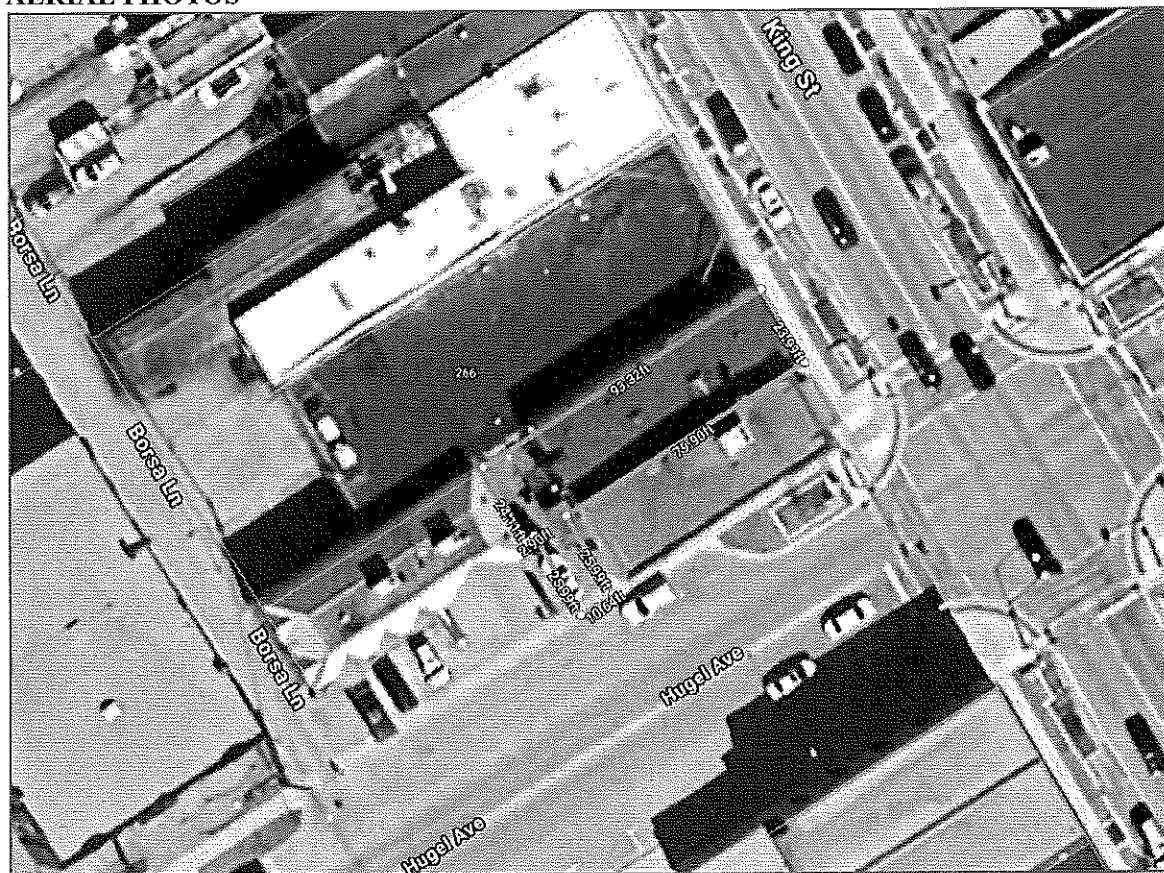
DOWNTOWN OFFICE			MULTIFAMILY		
	Cap Rate	Δ Q/Q		Cap Rate	Δ Q/Q
A/A	N/A		High Rise A	4.25% - 4.75%	↔
A	3.00% - 4.00%	↔	High Rise B	4.25% - 4.90%	↔
B	4.00% - 4.87%	↔	Low Rise A	4.25% - 4.75%	↔
			Low Rise B	4.25% - 4.50%	↔
SUBURBAN OFFICE			SENIORS HOUSING		
A	6.00% - 7.00%	↔	Independent/Assisted Living A	6.00% - 6.50%	↔
B	6.00% - 7.00%	↔	Independent/Assisted Living B	7.00% - 8.00%	↔
INDUSTRIAL			LONG TERM CARE A		
A	6.25% - 6.50%	↔		6.75% - 7.25%	▼
B	6.00% - 7.00%	↔			
RETAIL			HOTEL		
Regional	8.00% - 7.50%	↔	Domestic Full Service	8.00% - 9.50%	↔
Power	4.50% - 4.25%	↔	Suburban Limited Service	6.00% - 6.50%	↔
Neighbourhood	5.00% - 6.00%	▼	Extended Stay	6.00% - 6.50%	↔
Strip (non-anchored)	5.00% - 6.00%	▼			
Neighbourhood	6.25% - 7.00%	↔			
High Street	8.5%				

CBRE Q4 2025 CAP RATE REPORT KITCHENER-WATERLOO

Neighbourhood

The subject is located in the main downtown area of Midland. King St is one of the main commuter streets that runs north south through the heart of Midland. The subject is located on the west side of King St W and just north of Hugel Ave. King St consists of many other single storey, two storey, and three storey commercial properties that were similar to the subject. Some retail locations in the area of the subject include Scotiabank, RBC, and Money Mart. The Midland Harbour on Georgian Bay is located just north of the subject and the North Simcoe Sports and Recreation Centre is located south of the subject. Hwy 93 is located west of the subject and Hwy 12 is located south of the subject for commuting purposes. Overall, the subject is considered to be in a desirable area within the Town of Midland.

AERIAL PHOTOS



DESCRIPTION OF SITE

Location

The subject property is addressed at 268 King St, Midland. The subject property is located along the west side of King St. There are a number of other commercial buildings in the vicinity of the subject along King St that were similar to the subject. The subject property is located in a good location within the Town of Midland.

Legal Description

Pt Lt 10 W/S King St Pl 306 Being Pt 1 51r7131 Town Of Midland.

Site Area

The site is an interior lot which is irregular in shape with dimensions of 24' x Irr' and a total site area of 2,519 sf. See aerial view for details.

Parking

There is asphalt parking to the rear of the building. The site appeared to provide for two parking spaces.

Access

There are two entrances to the front on King St. One is for the main floor commercial/retail space and one is for the 2nd level apartments

Services

Full municipal services are provided including natural gas, hydro, water, and telephone. King St is an asphalt paved road with sanitary sewers, street lights and curbs.

Topography and Drainage

The lot appears to be flat and no drainage issues were noted.

Soil Characteristics

It is assumed that in view of the size of the structures on the surrounding properties and the subject that those soils within the area are capable of handling reasonable heavy building loads. Based on my inspection of the subject property, no visible contamination was noted. An environmental assessment has not been supplied or reviewed. The appraiser did not note anything during the inspection that indicated that there was soil contamination. For the purpose of this appraisal, we have assumed that there are not environmental problems or concerns.

DESCRIPTION OF IMPROVEMENTS

The subject building was viewed on May 12, 2025. It is assumed to be in similar condition as of the effective date of February 6, 2026.

The subject is located onto the west side of King Street in Midland.

The subject building is a 2-storey building which sides directly up to the neighbouring buildings to the east and west sides. There are two entrances to the front, one for the main floor commercial/retail space and one for the 2nd level apartments. Further there is a rear metal fire escape from the 2nd floor and a rear door from the main level and one from the basement level.

The exterior of the building is improved with a brick veneer on the rear and the front 2nd floor, and the main level front is improved with signage and metal siding. The front doors and windows are metal on the 1st floor at the front and a mix of metal, vinyl and wood framed throughout the 2nd floor and rear. There are window air conditioning units visible for the 2nd floor.

The 1st floor footprint appears to be 1,806 sf and the 2nd floor appears to be 1,806 sf for a total of 3,612 sf. The measurements were taken by the appraiser using a handheld electronic measuring device.

Upon entrance to the main floor retail area the floor cover is laminate, and the walls and ceiling are drywall. The ceiling is dropped tile with fluorescent tubular. The area is divided into a retail area, a rear office area, storage and staff 2-pc washroom. The ceiling height is 9 ft 4 inches approximately. The washroom is improved with ceramic tile floor cover, toilet and premade vanity. The main floor is further improved with a ductless split.

Access to the basement is from the main floor unit. The lighting in the basement appeared to be motion activated and the appraiser could not find a light switch, so some pictures appear darker. The electrical panels are located in the basement. The ceiling is drywall/painted panel board. The foundation walls appear to be brick, stone and concrete rubble foundation. The floor is bare concrete. The front of the basement has 2 electrical panels and there is a large one at the rear. Further there 5 separate hydro meters. (Previously the 2nd floor had been improved with 4 apartments, now it is only 2). There are two water tanks. Further the basement has a toilet and laundry sink. They appear to be attached to water and drainage, but it could not be confirmed if they are working. The basement does have a slight odour and there were signs of previous water pooling at the rear. There were no active puddles/pooling of water or leaking. The basement does not appear to be used for storage.

Given the level to which the basement is finished provides no economic value to the overall value of the subject dwelling and therefore will be treated as unfinished.

The 2nd floor is improved with 2 x 3-bedroom apartments, each having 2 full baths. Access notice was not given to the tenants within the allowable time frame. However, both tenants were pleasant and provided quick access to their units.

Notes were taken from the appraiser vehicle, photos and memory as notes were not taken during the actual viewing to hasten the process.

Both units are of a similar quality, age and condition.

Each unit is improved with a kitchen improved with wood cabinets, and laminate countertops. One kitchen has a stone style façade backs splash and the other has no backsplash. The floor cover throughout the units is a mix of hardwood and laminate with some washrooms having ceramic tile and come having laminate floor cover. The

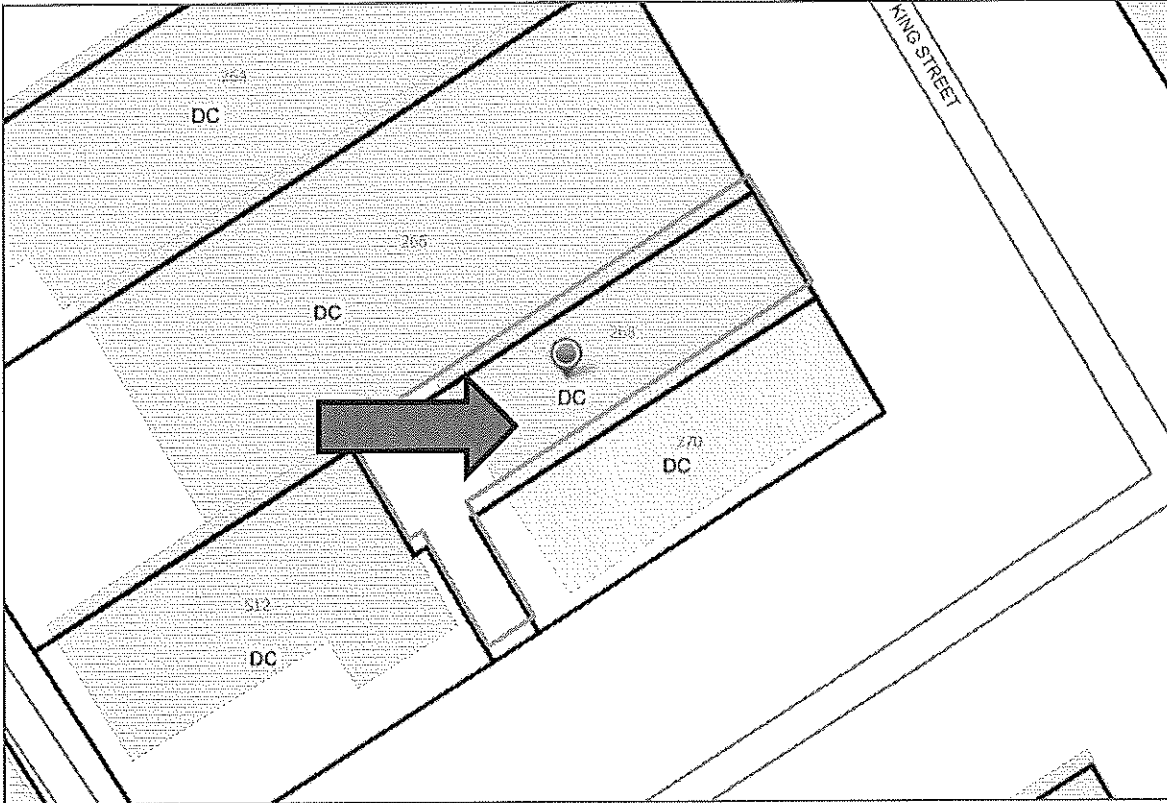
ceilings and walls are drywall and potentially lathe and plaster in some areas. The washrooms are all improved with either ceramic tile floor cover, or laminate floor cover, toilets and 3 with premade vanities and one with a wood vanity. Three of the washrooms are improved with a bathtub one having ceramic tile tub surround and two with plastic inserts. One washroom is 3-pc with a ceramic tile shower surround. In apartment 4 one bedroom has laundry in place.

Overall, the apartments are slightly cluttered, which can be typical when people are not given notice. They have been updated in some areas such as premade vanities and laminate floor cover, however, not enough to raise their value. Given the lower socio-economic market the apartments are in they are considered in average condition.

Overall, the subject building is average. The main floor commercial space is average. The basement is slightly below average to average condition. In synopsis, in the consideration of the buildings entirety it is considered average condition and could use some updating in the apartments, fixing the basement, and repaving of the parking lot at the rear.

LAND USE CONTROLS

Town of Midland Zoning



The subject is zoned DC: Downtown Core

6.1.2 Permitted Uses

Accessory Dwelling Units
 Bakery
 Bus Passenger Depot
 Catering Establishment
 Child Care Centre
 Commercial Entertainment Establishment
 Commercial School or Adult Learning Centre
 Eating Establishment excluding a Drive Through Facility
 Financial Institution
 Fitness Club
 Funeral Home
 Hotel or Motel
 Laundromat or Dry Cleaning Establishment
 Liquor or Beer Store
 Medical Laboratory
 Medical Practitioner
 Microbrewery
 Mobile Fast Food Facility
 Parking Area
 Personal Service Establishment
 Pharmacist
 Place of Assembly
 Place of Worship
 Private Club
 Professional Office
 Public Use
 Retail Store
 Retirement Home
 Senior Citizens' Home
 Service Shop
 Taxi Stand

Theatre

The DC zoning by law allows for both commercial and residential uses. The subject improvements consisted of one commercial unit on the ground floor that was operating a food related business and two residential unit on the upper floor. It appears that the subject is a legal conforming use.

HIGHEST AND BEST USE

Highest and Best Use

Real estate is valued in terms of its highest and best use. Highest and best use is defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability

*Source: The Dictionary of Real Estate Appraisal
Third Edition, 1993
Appraisal Institute*

To properly analyse highest and best use, two determinations must be made. First, the highest and best development of the site as though vacant and available for use is made. Second, the highest and best use of the property as improved is analysed and estimated. The highest and best use of both the land as though vacant and the property as improved must meet four criteria: physically possible, legally permissible, financially feasible, and maximally productive. Of the uses that satisfy the first three tests, the use that produces the highest price or value consistent with the rate of return warranted by the market is the maximally productive use.

Subject Property – As Though Vacant

Physically Possible

Analysis of the site characteristics and nearby improvements in the area indicates the subject site could adequately support physical development.

Legally Permissible

The subject is zoned DC. This allows for a wide range of both commercial uses and also residential uses. Thus, it was assumed that the subject was a legal conforming use.

Financially Feasible

Commercial uses are financially feasible as most of the available land has been developed with commercial or mixed-commercial residential buildings and demand for them has been steady.

As Vacant

The subject property is best suited for a commercial development to the maximum density permitted under existing zoning by-laws, as if vacant.

As Improved

The zoning allows for commercial and residential uses. Thus, the current improvements developed to its maximum capacity are considered to be the highest and best use of the subject, as improved. The current use appears to be the highest and best use.

VALUATION TECHNIQUE

Valuation Premise

The market for any real estate consists of those entities that can benefit from the highest and best use of a particular property and, accordingly, are willing and able to pay a competitive price. In most cases, for any particular property the market is represented by a fairly clearly defined group of individuals or financial entities. In the case of the subject property, the purchaser profile would be one who would acquire the property for rental of the building. The valuation contained in this document attempts to replicate the analysis that a prospective purchaser would likely use.

Method of Valuation

The three traditional approaches to value, Cost, Direct Comparison, and Income Capitalization, have been considered in estimating the market value for the subject property. Based upon the available market data and the likely motivations of the typical purchaser, the Direct Comparison Approach and the Income Approach using a form of Direct Capitalization have formed the primary basis of our reconciliation of a final estimate of value. The Cost Approach has not been developed. While investors are generally aware of replacement cost, they place little reliance on the fully developed Cost Approach when determining a value for acquisition purposes.

The Income Approach is presented first followed by the Direct Market Comparison Approach which is in turn followed by Reconciliation and a Final Estimate of Value.

Reasonable Exposure Time

Exposure time may be defined as follows:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

The subject is located within a developed mixed commercial/residential area. A reasonable exposure time of 2-6 months is estimated.

INCOME APPROACH

The Income Capitalization Approach includes an analysis of the market for similar comparable properties that have leased within a meaningful timeframe, and a pro forma estimation of a Year 1 stabilized net operating income is developed.

The Income Capitalization Approach is developed, which typically converts an estimate of a single year's income expectancy into an indication of value using an appropriate capitalization rate. After analysis of pertinent data to select an appropriate capitalization rate, the net operating income is stabilized and capitalized to an estimation of current market value.

Subject Occupancy,

The subject property consisted of one commercial unit on the ground floor and two residential tenants above. Both of the residential units were three bedroom units. One unit appeared to be rented at \$1,400/month with the other residential unit rented at \$1,125/month. The commercial lease appears to have been initially signed in 2021 with a 5 year extension commencing on July 1, 2024 until June 30 2029. The lease rate appeared to be \$2,650 month. In addition the tenant was responsible to pay \$550/month in TMI. Although as noted above the main floor was measured to be 1,806 sf the lease indicates that the main floor was measured to be 1,650 sf. Below is a summary of the rent roll:

Rent Roll					
UNIT		RENT AMOUNT	TMI AMOUNT	SF	PRICE/SF GROSS
1	Commercial	\$2,650	\$550	1650	\$23.27
2	Residential	\$1,125			
3	Residential	\$1,400			
Total Monthly		\$5,725			
Total Annually		\$68,700			

It was necessary to investigate market lease rates in order to determine where the subject's lease rate falls within the range of the market and to determine a market lease rate for the apartment.

Below is a table that presents some current lease rates from the market

Commercial Lease Rates

Commercial Lease Rates							
#	Location, Midland	Date	Size/sf	Rental Rate/SF	TMI	Gross Rent	Comments
1	288 King St A1	10/03/2024	1,500	\$21.60	\$0.00	\$21.60	Same street as subject
2	290 King St	10/31/2024	600	\$34.00	\$0.00	\$34.00	Small unit
3	521 Bay St A	03/18/2025	589	\$18.00	\$3.00	\$21.00	Small unit
4	371 Yonge St	02/04/2025	1,900	\$18.95	\$0.00	\$18.95	Within plaza
5	578 Bay St A	02/05/2025	540	\$24.33	\$0.00	\$24.33	Small unit
6	278 King St	02/28/2024	1,590	\$17.36	\$2.14	\$19.49	Main floor retail
7	845 King St #4-#5	08/13/2025	1383	\$10.00	\$10.91	\$20.91	Retail plaza
8	345 King St	09/23/2025	2,100	\$11.00	\$9.00	\$20.00	Freestanding restaurant
9	248 King St	10/31/2025	2110	\$19.91	\$0.00	\$19.91	Main floor retail

The subject consisted of an open concept retail store that sold food. The subject's main floor space was 1,650 sf as per the lease. The lease rates in the market ranged from \$18.95/sf - \$34/sf. Lease rates #1, #2 and #6, #8 and #9 were all of units on the same street as the subject although lease rate #2 was of a much smaller unit. The subject had recently signed a five year extension and the lease rate was \$23.27/sf gross. This lease rate appears to fall right in line with the market lease rates. Thus it is the contractual lease rate that will be utilized and it appears to be a lease rate at market rates.

Residential Lease Rates

Apartment Lease Rates							
#	Location, Midland	Date	# of Bedrooms	Condition/Type	Monthly Rate	Utilities Included	Parking Included
1	117 Seventh St	01/22/2025	3	Average/Full House	\$2,000	No	Yes
2	967 Wright Dr Lower	06/17/2025	3	Good/Basement unit	\$2,300	No	Yes
3	587 Yonge St Unit 1	02/07/2025	3	Average/Front Unit	\$2,400	No	Yes
4	1035 Wright Dr	03/14/2025	3	Good/Full Townhouse	\$2,500	No	Yes
5	405 Bay St	11/30/2025	3	Full House	\$2,100	No	Yes
6	798 Quebec St	01/15/2026	3	Good condition/Full House	\$2,550	No	Yes

As can be seen from the chart above, the rates for three bedroom units ranged from \$2,000/month to \$2,650/month. This was much higher than the rental rates for the subject units although the appraiser noted all the rental rates were of larger homes or townhomes. The appraiser was not able to find rental rates of apartments that were similar to the subject apartment units. It is likely that the market rate for the subject's apartment units would be below the range established by the market but still it appeared it would likely be higher than the actual in place contractual lease rates. However, due to rent control, it is the contractual lease rates that will be utilized in the analysis and rent cannot be increased to market rates. The appraiser will account for the below market rental rates as part of the capitalization rate analysis below.

General Vacancy

The subject is located in a desirable area within the Town of Midland. As per the October 2024 CMHC report for Midland, the vacancy rate was 3.4% for residential units. Below is a summary of the information from CMHC:

Midland	3.4 d	"	1,425 c	1,500 b	53 d	1,217
---------	-------	---	---------	---------	------	-------

Additionally, the main floor of the subject was occupied by a retail tenant and commercial vacancy rates are generally much higher than residential vacancy rates. Based on the aforementioned a blended bad debt/vacancy rate of 6% will be utilized for the subject property.

Operating Expenses

The appraiser was only provided with some of the operating expenses. The property tax amount was reported at \$6,000. An amount of \$5,000/year is assumed for property insurance as this is similar amount for other properties similar to the subject. The tenants are all assumed to pay for their own hydro and the subject is separately metred. Other utilities such as common area hydro, water and gas is assumed to be \$5,000/year. Repairs and maintenance is estimated at \$1,500/unit which is typical for a property such as the subject. A summary is shown below:

Expenses	Annual
Taxes	\$6,000
Insurance	\$5,000
Repairs	\$4,500
Utilities	\$5,000
Total	\$20,500

Property Management:

A property such as the subject that only has three tenants would typically be self managed and thus no fee needed to be deducted for property management.

Structural Reserve:

An amount equal to 2% of gross income will be deducted as part of a structural reserve.

Capitalization Technique

In the evaluation of real property, the marketplace has proven that there is a relationship between the income and value. In light of this, the Appraiser methodology has several tools available to measure this relationship, resulting in an estimate of value to the subject property through the capitalization of the Net Income. In today's marketplace, two methods are widely accepted which may yield a good estimate of value. These methods are the Mortgage Equity Capitalization Technique and the Direct Capitalization Technique. It is the Direct Capitalization Technique which will be used in this report.

The Direct Capitalization Technique involves the analysis of sales of similar types of properties to derive a relationship between the selling price and the Annual Net Operating Income. This overall rate is expected to represent what an informed, prudent and rational investor is requiring for similar competitive properties in the marketplace. Similar refers to similarities with respect to risk and durability of income or investment return of specific properties. The Direct Capitalization Technique is usually an excellent means of estimating Market Value when revenue producing properties are the subject matter. This technique is especially useful where standard or typical type of revenue producing properties are concerned. I have investigated the market for sales of similar

properties to determine an appropriate capitalization rate for the subject. I have included various comparable which are considered to reasonably provide an estimated capitalization rate for the subject.

None of the comparable sales developed in the Direct Comparison Approach had reliable income information from which to develop going-in capitalization rates. Consequently, we went back to the market to widen the search and develop yield rates for comparable properties in the broader market.

The following is a summary of my findings:

No.	Sale Date	Location	Type	Estimated Net Income	Sale Price	Going In Capitalization Rate
1	08/30/2024	74 John St W, Bradford	Retail/Residential	\$130,000	\$ 2,000,000	6.50%
2	04/16/2024	37 W Holland St, Bradford	Retail/Residential	\$160,650	\$ 2,975,000	5.40%
3	12/30/2024	504 Dundas St N, Cambridge	Retail	\$96,040	\$ 1,400,000	6.86%
4	08/28/2024	1591 London Line, Sarnia	Retail	\$60,000	\$ 1,000,000	6.00%
5	08/20/2024	1038 King St W, Hamilton	Retail/Residential	\$305,100	\$ 4,500,000	6.78%
6	03/28/2025	15233 Yonge St, Richmond Hill	Retail	\$74,000	\$ 1,850,000	4.00%
7	02/28/2025	585 Mill St, Windsor	Multi Family	\$195,290	\$ 2,950,000	6.62%
8	10/31/2024	500 Manning Rd, Tecumseh	Retail	\$364,500	\$ 5,400,000	6.75%
9	10/01/2024	3242 Sandwich St, Windsor	Mixed Use	\$139,920	\$ 2,400,000	5.83%
10	06/21/2024	3540 Walker Rd, Windsor	Retail	\$63,600	\$ 1,200,000	5.30%
11	08/01/2025	155 King Rd, Richmond Hill	Commercial	\$186,000	\$ 3,100,000.00	6%
12	02/01/2025	3224 Yonge St, Toronto	Commercial	\$337,500	\$ 7,500,000.00	4.5%
13	01/01/2025	3760-3762 14th Ave, Markham	Commercial	\$2,006,880	\$ 22,200,000.00	9.04%
14	10/01/2024	5750 Explorer Dr, Mississauga	Commercial	\$1,566,000	\$ 17,400,000.00	9%
15	02/01/2025	293 Broadway Orangeville	Commercial	\$52,360	\$ 1,100,000.00	4.76%

Summary

Capitalization rates on similar commercial buildings in Midland were difficult to find. As such, the appraiser chose to extend the search parameters to include time, locations, and different types of improvements that would offer a similar demand. It was difficult to find comparable sales with capitalization rates. Consequently, the appraiser went back to the market to widen the search and develop yield rates for comparable properties in the broader market. The following sales were utilized in developing the overall capitalization rate for the subject property. The sales demonstrate an unadjusted going in capitalization rates that range from a low of 4.0% to a high of 9.04%. Capitalization rate #12 is the sale of retail property in a good location in Toronto. This sale is to the lower end of the range. The appraiser noted that the subject was located in Midland which was considered to be an inferior market than many of the capitalization rates that were located in Hamilton, Cambridge, Waterloo etc. This points towards a higher capitalization rate for the subject. The subject was in average condition. As per the CBRE Q4 2025 capitalization rate reports, the capitalization rate for Urban Street front properties in London was 6.5% - 7.5%. For Toronto the range was 5%-5.5% and for Kitchener/Waterloo the range was 6%-7%. The subject was considered to be in inferior location than Toronto which would point towards a higher rate for the subject. Overall, the subject is also considered to be inferior to Kitchener/Waterloo. Additionally, as noted above, the subject's residential lease rates appeared to be below market and thus could be increased once the tenants move out. This would point towards a lower capitalization rate for the subject as an investor would pay a premium on the capitalization rate for the future

upside potential. Based on all the aforementioned information, a capitalization rate towards the middle/upper end of the range of 7.25% will be utilized.

Direct Capitalization - Stabilized Year 1	
Commercial Rent	\$38,400
Residential Rent	\$30,300
Vacancy Rate @ 6%	\$4,122
EFFECTIVE GROSS INCOME	\$64,578
Operating Expenses	\$20,500
Structural Reserve @ 2%	\$1,292
NET OPERATING INCOME	\$42,786
CAPITALIZED @ 7.25%	
Rounded to	

Thus, the final value estimate by the Income Approach, as of the effective date of this appraisal is:

[REDACTED]

DIRECT MARKET COMPARISON APPROACH

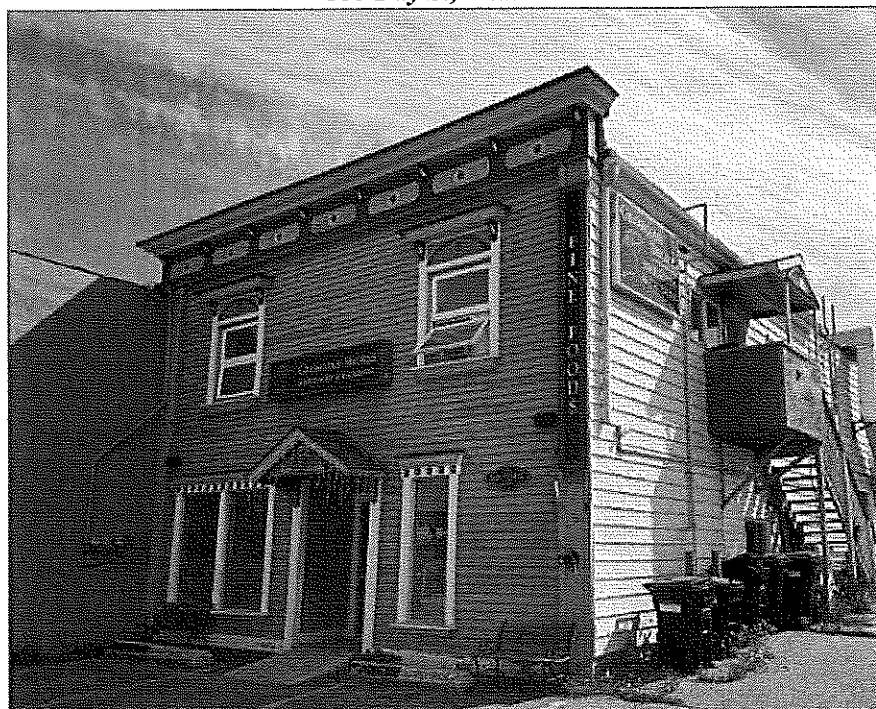
Due to the unique nature of the subject property the appraiser chose the most comparable properties and adjusted accordingly based on the price per square foot of each of the comparable sales. The following are details of the most comparable sales in the area followed by an analysis of the data and a conclusion as to an estimate of market value.

Sale #	Location	Sale Price	Sale Date	Improvement Size (SF)	Price/SF	Comments
1	555 Bay St., Midland	\$ 420,000	01/10/2025	3,400	\$ 124	Two-Storey Commercial/Residential Building, 6 Parking Spaces
2	526 Dominion Ave., Midland	\$ 762,500	01/25/2026	6,200	\$ 123	One-Storey Commercial Building, Unfinished Basement, 6-8 Parking Spaces
3	551 Bay St., Midland	\$ 545,000	10/08/2025	4,682	\$ 116	One-Storey Commercial Building, No Basement, No Parking Spaces
4	79 Main St., Penetanguishene	\$ 650,000	06/14/2025	4,323	\$ 150	Two-Storey Commercial/Residential Building, Partially-Finished Basement, No parking
5	44 Main St., Penetanguishene	\$ 425,000	01/20/2026	2,400	\$ 177	Two-Storey Commercial/Residential Building, Unfinished Basement, No Parking Spaces
SUB	268 King St., Midland	N/A	N/A	3,612	N/A	Two-Storey Commercial/Residential Building, Unfinished Basement, 2 Parking Spaces

Adjustments to Sales Data

The sales selected for this analysis are compared to the subject property and appropriate adjustments for the elements of comparison are considered. The subject is an attached 3,612 sf mixed use building located on a 2,519 sf site. Sales of similar sites the same size as the subject were difficult to find. As such, the appraiser utilized sales of properties that were not in the immediate vicinity of the subject. This was deemed necessary and unavoidable. Adjustments will be made based on the price per square foot of improvements. Typically larger improvements would sell at a lower price per square foot than smaller improvements. The reverse is also true. Elements of comparison analysed in this valuation include real property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, improvements size, economic characteristics and use/zoning considerations.

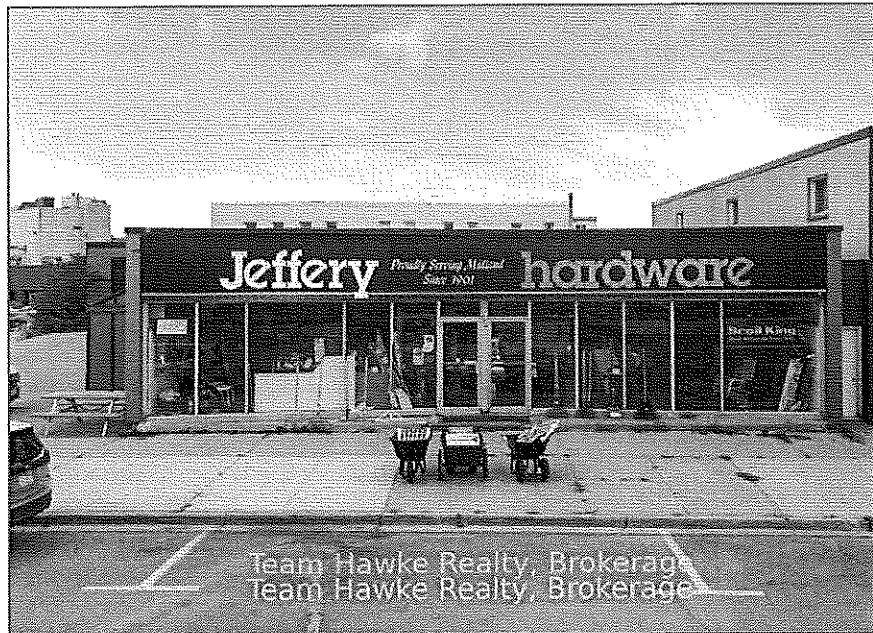
Sale 1
555 Bay St, Midland



Sold Date:	01/10/2025
Purchase Price:	\$420,000
PIN:	584650057
Site Size:	5,350 sf
DOM:	111
Improvements:	3,400 sf
Price/SF:	\$124

Remarks: This is the sale of a semi-detached two-storey building in downtown Midland. The location was considered to be inferior to the subject. The main floor consisted of retail space with one apartment on the second floor. The condition appeared to be inferior to the subject. The site size was 5,350 sf and parking was provided for 6 cars.

Sale 2
526 Dominion Ave., Midland



Sold Date:	01/25/2026
Purchase Price:	\$762,500
PIN:	584650082
Site Size:	10,000 sf
DOM:	176
Improvements:	6,200 sf
Price/SF:	\$123

Remarks: This is the sale of a semi attached one-storey building in downtown Midland. The location was considered to be inferior to the subject. The main floor consisted of retail space with an open and unfinished basement used for storage. The condition appeared to be similar to the subject. The site size was 10,000 sf and parking was provided for 6-8 cars.

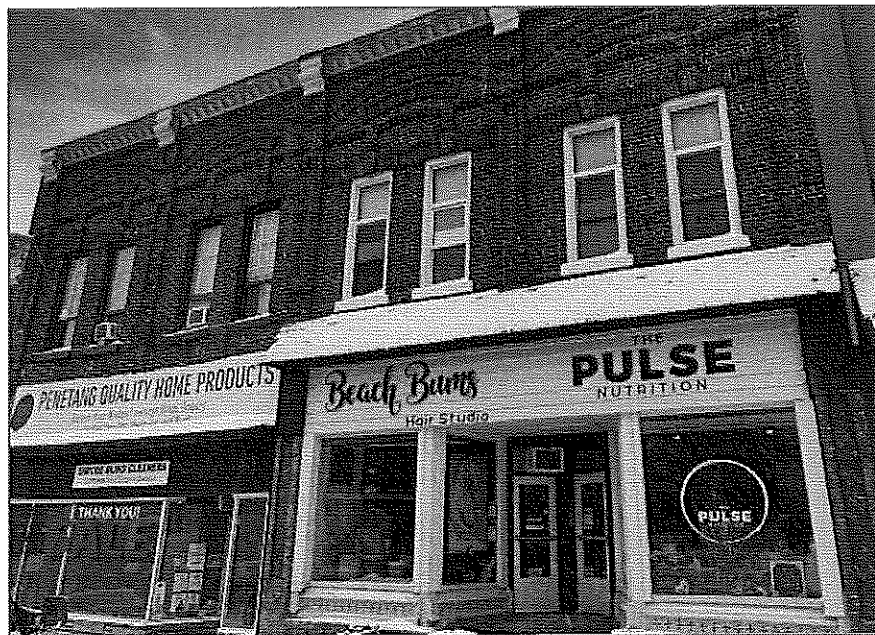
Sale 3
551 Bay St., Midland



Sold Date:	10/08/2025
Purchase Price:	\$545,000
PIN:	584650058
Site Size:	5,350 sf
DOM:	189
Improvements:	4,682 sf
Price/SF:	\$116

Remarks: This is the sale of a semi attached one-storey building in downtown Midland. The location was considered to be inferior to the subject. The main floor consisted of retail space with rear open garage and/or storage space. This sale includes no basement. The condition appeared to be similar to the subject. The site size was 5,350 sf and no parking was provided on site.

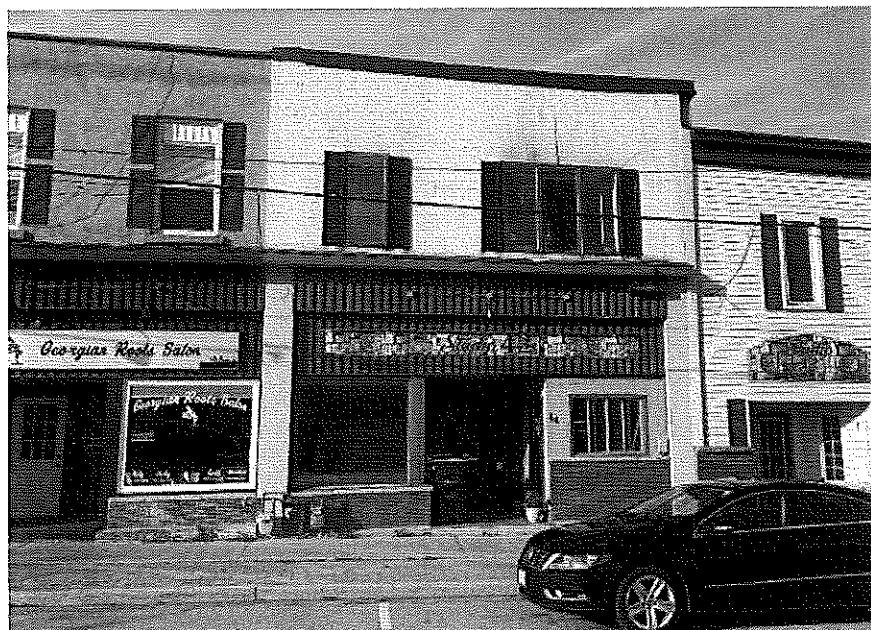
Sale 4
79 Main St., Penetanguishene



Sold Date:	06/14/2025
Purchase Price:	\$650,000
PIN:	584330129
Site Size:	2,223 sf
DOM:	122
Improvements:	4,323 sf
Price/SF:	\$150

Remarks: This is the sale of a fully tenanted and attached two-storey building in downtown Penetanguishene. The location was considered to be similar to the subject. The main floor consisted of retail space with an apartment above on the second storey. This sale includes a partially finished basement. The condition appeared to be similar to the subject. The site size was 2,223 sf and no parking was provided on site.

Sale 5
44 Main St., Penetanguishene



Sold Date:	01/20/2026
Purchase Price:	\$425,000
PIN:	584320110
Site Size:	4,992 sf
DOM:	101
Improvements:	2,400 sf
Price/SF:	\$177

Remarks: This is the sale of an attached two-storey building in downtown Penetanguishene. The location was considered to be inferior to the subject. The main floor consisted of retail space with an apartment above on the second storey. This sale includes an unfinished basement. The condition appeared to be similar to the subject. The site size was 4,992 sf and no parking was provided on site.

DIRECT MARKET		CHART				Overall Adjustment
	Location, Midland	Sale Date/Price	Site Size/Parking	Improvements	Price/SF	
S	268 King St., Midland	N/A	2,519 sf 2 Parking Stalls	3,612 sf Attached Average condition Unfinished basement	N/A	
1	555 Bay St., Midland ↑↑↑	01/10/2025 ↓↓ \$420,000	5,350 sf ↓ 6 Parking Stalls ↓	3,400 sf Semi-detached ↓ Inferior condition ↑↑↑ Unfinished Basement	\$124	↑↑↑↑
2	526 Dominion Ave., Midland ↑↑↑	01/25/2026 762,500	10,000 sf ↓↓ 7 Parking Stalls ↓	6,200 sf ↑ Semi-detached ↓ Similar condition No Basement ↑	\$123	↑↑↑↑
3	551 Bay St., Midland ↑↑↑	10/08/2025 \$545,000	5,350 sf ↓ 0 Parking Stalls ↑↑	4,682 sf ↑ Semi-detached ↓ Similar condition No Basement	\$116	↑↑↑↑
4	79 Main St., Penetanguishene	06/14/2025 ↓ \$650,000	2,223 sf 0 Parking Stalls ↑	4,323 sf ↑ Attached Similar condition Partially-Finished Basement	\$150	↑
5	44 Main St., Penetanguishene ↑	01/20/2026 \$425,000	4,992 sf ↓ 0 Parking Stalls ↑	2,400 sf ↓↓ Attached Similar Condition Unfinished Basement	\$177	↓

Analysis of Comparable Sales

As no 2 properties are completely similar, adjustments must be made to compensate for differences between the comparable properties and the subject property. There were not many properties in the immediate vicinity of the subject that were similar to the subject in size and that were similar in utility. Thus, the appraiser expanded the search to include properties that had site sizes that different than the subject, improvements that were different and in different locations. This was deemed necessary and unavoidable. The comparable sales ranged from \$420,000 to \$762,500 and the price per square foot ranged from \$116/sf - \$177/sf.

Sale Date:

In a changing market, it may be necessary to adjust sale prices to reflect the time difference between the sale date of a comparable and the date of valuation. The demand for similar properties in the area has declined within the last year. Thus, sales that were closed before October 2025 have been adjusted downward.

Property Rights Conveyed:

In the sales analysis, it is important the pertinent property rights of the comparable sales are similar to the subject property. No adjustments were deemed necessary.

Financing Terms:

Due to differing financial arrangements, the sale price of differing properties may be different. More favourable financing may include a Vendor Take Back Mortgage and a lower rate the current market rate. This situation may result in a positive influence on the sale price. Conversely, a higher VTB interest rate may also affect the sale price. No adjustments were necessary.

Conditions of Sale:

The motivations of the purchaser and vendor may affect the sale price and adjustments for these types of sales are necessary as in some cases, these motivations may affect the sale price. For example, a property that is under power of sale may require a certain sense of urgency on the part of the seller/lender, causing a lower sale price than otherwise would be attained if the property had adequate marketing time on the real estate market. Other instances include land assembly whereby the purchaser has a need to pay a higher price in order to acquire a certain piece of property. No adjustments were necessary.

Location:

An adjustment for location may be needed when the location characteristics of a comparable property is different from the subject property. The subject property was located in a good location within Midland as it was in the heart of downtown. Sales #1, #2, #3 and #5 were all in inferior locations and thus they all needed upward adjustments.

Improvements

The subject's improvements totalled 3,612 sf. Sales #2, #3, and #4 were all of improvements that were larger in size than the subject with sale #5 being the sale of an improvement that was smaller in size than the subject. Adjustments were made accordingly.

The subject's improvements were in average condition overall. Sale #1 was in inferior condition; adjustments were made accordingly.

The subject improvement was an attached improvement and sales #1, #2 and #3 were of semi-detached improvements. These sales needed downward adjustments.

The subject improvement included an unfinished basement, sales #2 and #3 had no basement. These sales needed upward adjustments.

Site/Parking

The subject site was 2,519 sf and provided for two parking spaces. All the comparable sales with the exception of sale #4 had a superior site size and needed downward adjustments. Sales #1 and #2 provided more parking, and needed downward adjustments, sales #3, #4, and #5 had no parking and needed upward adjustments.

Conclusion:

The comparable sales have been adjusted for all known differences between them and the subject property and suggest a range of \$116/sf to \$177/sf. Sale #5 was the sale of a much smaller improvement in a desirable downtown location and thus sets the upper end of the range. Sales #1, #2, and #3 were the sales of properties in inferior locations than the subject and were larger improvements that needed upward adjustments. These sales set the low end of the range. Sale #4 is in a similarly desirable location as the subject and most similar to the subject in site size, improvement size and condition and thus were considered to be the best indicators of value for the subject. This analysis suggests a reduced \$/sf range of \$150/sf to \$177/sf.



In this regard, with consideration given to the assumptions and limiting conditions contained herein, it is felt that the subject should reasonably achieve a price per square foot of \$165/sf with sale #4 being the best indicator of value. When applied to the subject's 3,612 sf of improved area, this results in a value of [REDACTED] (rounded).

The final value estimate by the Direct Market Comparison Approach, as of the effective date of this appraisal is [REDACTED]

[REDACTED]

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Between the various approaches, the following estimated market values were concluded:

Direct Comparison Approach	
Income Approach – Direct Capitalization	
Cost Approach	Not Developed

Each of the valuation methods has a varying degree of applicability with respect to the subject building. In the case of the Cost Approach, the determination of physical and functional depreciation is difficult and thus this approach is somewhat less reliable and therefore has not been developed. Further, while investors are generally aware of replacement cost, they place little reliance on the fully developed Cost Approach when determining a value for acquisition purposes.

The Direct Comparison Approach produced 5 sales of commercial properties with varying degrees of comparability to the subject. The range of prices is most heavily influenced by location, building and lot size, condition and quality of the improvements, use, and the prevailing market conditions at the time of sale. This approach was not considered to be a good indicator of value for the subject as the subject had a longer term tenant in place on the main floor. This approach would be more commonly used on properties that were being purchased by end users to be owner occupied.

The Income Approach using a form of the Direct Capitalization was also analyzed. The property consisted of 2 residential units and one commercial unit. The commercial unit was occupied by a tenant that had a longer term lease in place. Thus this approach was heavily weighted as part of the final estimate of value as it would be typical for investors looking to generate rental income to analyze the income for the subject property.

Based on the aforementioned it is the Income Approach that was given the most weight as part of the final estimate of value. The Direct Market Comparison Approach was also developed and given less weight but is still considered to strongly support the Income Approach.

Thus, the final estimate of value as of the effective date of this appraisal is:



UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

SUBJECT : 268 King St, Town of Midland
REAL PROPERTY INTEREST : Leased Fee Interest
EFFECTIVE DATE : February 6, 2026

AT THE REQUEST OF OUR CLIENT, I HAVE INSPECTED THE PROPERTY DESCRIBED IN THIS REPORT AND CONSIDERED ANY RELEVANT MATTERS WITH RESPECT TO FORMING AN OPINION OF MARKET VALUE OF THE PROPERTY, IN ORDER TO ASSIST WITH DETERMINING A CURRENT MARKET VALUE FOR THE SUBJECT PROPERTY. THE AUTHORIZED USE IS TO ASSIST ALBERT GELMAN INC. AND THE ONTARIO SUPERIOR COURT OF JUSTICE WITH A RECEIVERSHIP PROCESS ON THE SUBJECT PROPERTY AND FOR THE ONTARIO SUPERIOR COURT OF JUSTICE TO RELY ON WHEN MAKING A DETERMINATION AS TO WHETHER TO APPROVE A SALE TRANSACTION. VOID IF USED FOR ANY OTHER PURPOSE. ACCEPTANCE OF THIS REPORT BINDS THE FOLLOWING CONDITIONS.

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”) and the following conditions:

1. This report is prepared only for the authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property’s owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is

unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.

5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of

- construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
 13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the authorized use.
 14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
 15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
 16. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
 17. Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
 18. The appraiser measured the subject property and also relied on measurements from MPAC. It is assumed that these measurements are accurate and will be utilized in the report.
 19. The appraiser was provided with income and expense information for the property that is assumed to be accurate and it was relied upon in this report.
 20. The appraiser inspected the property in May 12 2025. The appraiser was asked to provide an updated appraisal as of February 6, 2026. As per the client, the condition of the subject improvement was similar as of the effective date of this appraisal to the date of inspection. This is assumed to be accurate and if found to be inaccurate, the value contained herein is void.

CERTIFICATION

AUTHORIZED USER : Albert Gelman Inc. and the Ontario Superior Court of Justice
SUBJECT PROPERTY : 268 King St, Midland
INSPECTION DATE : February 6, 2026

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct, and I have considered all factors believed to affect the value of the property.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- My compensation is not contingent upon any action or event resulting from the analyses, opinions, or conclusions in or the use of the report.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the CUSPAP.
- I have the knowledge and experience to complete the assignment competently.
- I, Tracey Smith, have reviewed the report.
- Jonathan Knell, candidate appraiser, inspected the subject property
- I, Yehuda Belzberg have completed the report
- No one else provided significant professional assistance to the persons signing this report.
- The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report, we have fulfilled the requirements of the program.

The final estimate of the current market value, as at the effective date of the appraisal date is: February 6, 2026.



Y. Belzberg

February 6, 2026

Yehuda Belzberg, Candidate Appraiser

Date

Tracey Smith

February 6, 2026

Tracey Smith, BA, AACI, P. App.

Date

APPENDIX G



Offer Summary Document

For use with Agreement of Purchase and Sale

Form 801
for use in the Province of Ontario

This Form when completed may be utilized to comply with the provisions of the Trust in Real Estate Services Act, 2002 which prescribes content that is required for an offer summary document. Further, when sent to the Listing Brokerage this document may be used to confirm the existence of a written signed offer by a Buyer.

Section For Brokerage submitting the offer on behalf of the Buyer:

REAL PROPERTY ADDRESS: 268 King Street, Midland, Ontario L4R 3M3 (the "property")
(municipal address and/or legal description)

for an Agreement of Purchase and Sale dated: the 6th day of February, 2026 ("offer")

BROKERAGE: Lennard Commercial Realty

SALES REPRESENTATIVE/BROKER: Cole Braithwaite

I/We, 1000998274 Ontario Inc., have signed an offer for the property.
Name of Buyer(s)

(Signature of Buyer) (Date) (Signature of Buyer) (Date)

This offer was submitted, by email to the Listing Brokerage at 5:30 on the 6th day of
(by fax, by email or in person) (a.m./p.m.)

February, 2026 Irrevocable until 6:00 on the 13th day of February, 2026
(a.m./p.m.)

(For Buyer counter offer - complete the following)

I/We, have signed an offer for the property.
Name of Buyer(s)

(Signature of Buyer) (Date) (Signature of Buyer) (Date)

An offer was submitted, to the Listing Brokerage at on the day of
(by fax, by email or in person) (a.m./p.m.)

, 20 Irrevocable until on the day of , 20
(a.m./p.m.)

For Listing Brokerage receiving the offer:

SELLER(S): Albert Gelman Inc. in its capacity as Court-Appointed Receiver of 2416946 Ontario Ltd.

SELLER(S) CONTACT: angelik@jj.team
(ie. phone / email / fax)

LISTING BROKERAGE: LPT Realty Brokerage

SALES REPRESENTATIVE/BROKER: JENNIFER JONES/ANGELIK JONES

This offer was received, by email by the Listing Brokerage at 5:30 on the 6th day of February, 2026
(by fax, by email or in person) (a.m./p.m.)

This offer was presented, by email to the Seller(s) at 10:00 on the 10th day of February, 2026
(by fax, by email or in person) (a.m./p.m.)

Offer was: Accepted Signed Back/Countered Expired/Declined

Comments:

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2026, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.



Agreement of Purchase and Sale Commercial

Form 500

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 06 day of February, 2026

BUYER: 1000998274 Ontario Inc., agrees to purchase from
(Full legal names of all Buyers)

SELLER: Albert Gelman Inc., solely in its capacity as Receiver of 2416946 Ontario Ltd. and not in its personal or corporate capacity, the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 268 King St, Midland, ON L4R 3M3

fronting on the King St side of W

in the Town of Midland

and having a frontage of 24 Ft more or less by a depth of 79.9 Ft more or less

and legally described as PT LT 10 W/S KING ST PL 306 BEING PT 1 51R7131 TOWN OF MIDLAND

(Legal description of land including easements not described elsewhere) (the "property")

PURCHASE PRICE: Dollars (CDN\$) [REDACTED]

AS TM [REDACTED] AS TM [REDACTED] Dollars

DEPOSIT: Buyer submits Forty upon acceptance (within 5 (five) business days of acceptance)
AS TM [REDACTED] (Herewith/Upon Acceptance/as otherwise described in this Agreement)

AS TM [REDACTED] Dollars (CDN\$) [REDACTED] AS TM [REDACTED]

by negotiable cheque payable to Sellers Lawyers Trust Account "Deposit Holder"
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A & B AS TM [REDACTED] attached hereto form(s) part of this Agreement.

1. IRREVOCABILITY: This offer shall be irrevocable by Buyer AS TM [REDACTED] until 6 pm on 19th 18th AS TM [REDACTED] the 13 17th AS TM [REDACTED] day of February, 2026, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

See Schedule B AS TM [REDACTED]

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 07 day of April, 2026 AS TM [REDACTED] Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement. AS TM [REDACTED]

INITIALS OF BUYER(S): AS TM [REDACTED]

INITIALS OF SELLER(S): TM [REDACTED]

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2026, Ontario Real Estate Association ["OREA"]. All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

3. NOTICES: The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. The Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices where the Brokerage represents both the Seller and the Buyer (multiple representation) or where the Buyer or the Seller is a self-represented party. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.:
(For delivery of Documents to Seller)



FAX No.:
(For delivery of Documents to Buyer)

Email Address: angelik@jj.team
(For delivery of Documents to Seller)



Email Address: cole@lennard.com
(For delivery of Documents to Buyer)

4. CHATELS INCLUDED: ~~Fridge, Stove, Lighting~~

See Schedule B



 

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. FIXTURES EXCLUDED: See Schedule B  

6. RENTAL ITEMS (Including Lease, Lease to Own): The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

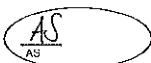
See Schedule B

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):





TM
AS

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the ~~..... day of~~, 20~~.....~~ (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there

TM

are no outstanding work orders or deficiency notices affecting the property, that its present use (.....) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

AS
AS

TM

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):

AS
AS

INITIALS OF SELLER(S):

TM



Schedule A Agreement of Purchase and Sale - Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: 1000998274 Ontario Inc., and

SELLER: Albert Gelman Inc., solely in its capacity as Receiver of 2416946 Ontario Ltd. and not in its personal or corporate capacity

for the purchase and sale of 268 King St, Midland, ON L4R 3M3

07/02/26 ^{AS} dated the day of, 20.....

Buyer agrees to pay the balance as follows:

- ~~a) a Statement of Adjustments;~~ TM ^{AS}
- ~~b) a Bill of Sale of all the Seller's right, title and interest, in the Shares described in this Agreement being sold hereunder, in the Buyer's solicitor's form, acting reasonably;~~ TM ^{AS}
- ~~c) a Transfer/Deed of Land in registrable form with respect to the Property;~~ TM ^{AS}
- d) all duplicate Keys with respect to all locks which form part of the Property; (If Available)
- ~~e) the Seller's Undertaking to Readjust all items on the statement of adjustments, if necessary;~~ TM
- ~~f) the Seller's Certificate setting out that the Seller is not a "non-resident" of Canada within the meaning of section 116 of the Income Tax Act (Canada) and that the Property has not been occupied by any officer, director or shareholders of the Seller as a matrimonial home within the meaning of the Family Law Act (Ontario);~~ ^{AS} TM
- g) a Funds Direction regarding disbursement of closing funds;
- ~~h) a General Assignment of Leases in favour of the Buyer, of the Leases to which a Rent Schedule (in detail satisfactory to the Buyer acting reasonably and rendered current to the date of closing) shall be attached as a schedule;~~ TM
- ~~i) an Assignment of Warranties and Guaranties (to the extent assignable) respecting improvements to the Property made by the Seller or its agents, if any;~~ ^{AS} TM
- j) Tenant Directions advising the Tenants of the sale of the Property, and directing and authorizing each Tenant to pay rent due from and after the date of closing, to the Buyer; ^{AS} TM
- ~~k) executed Leases for each of the leased units in the Property;~~
- ~~l) copies of all Lease files, accounting records, statements and information and renewals and offers to lease relating to the tenants, in the possession and control of the Seller;~~ ^{AS} TM
- ~~m) any original contracts and agreements of the Seller to which the Buyer has agreed to an assignment;~~
- ~~n) a Statutory Declaration of a senior officer of the Seller that all accounts for labour and materials have been paid by the Seller and further that no work has been performed and no materials supplied to the Property by or at the request of the Seller, which could give rise to a construction lien within the meaning of the Construction Lien Act (Ontario);~~ ^{AS} TM
- ~~o) original signed copies from all of the Tenants Acknowledgements (estoppel certificates) directed to the Buyer and its lender with the Tenants acknowledging the terms of their lease, including the state of their rental accounts and the existence, if any, of any defaults by the Landlord, and acceptance of new owners in a form prepared by the Buyer in form reasonably~~ ^{AS} TM

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): ^{AS}

INITIALS OF SELLER(S): TM

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2026, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.



Schedule A Agreement of Purchase and Sale - Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: 1000998274 Ontario Inc., and

SELLER: Albert Gelman Inc., solely in its capacity as Receiver of 2416946 Ontario Ltd. and not in its personal or corporate capacity

for the purchase and sale of 268 King St, Midland, ON L4R 3M3

07/02/26 dated the day of, 20.....

Buyer agrees to pay the balance as follows:

~~required by the Buyer's solicitor, and
p) no notice has been received by the Seller from any Tenant indicating an intention to assign or sublet, or indicating an intention to surrender the term or otherwise part with possession of the premises in the unit demised to such Tenant, save as otherwise disclosed in the Rent Schedule; and after this Agreement is executed by both parties and until waiver of the Buyer's Conditions, the Seller shall not enter into any new leases, offers to lease, amendments to lease, tenancy agreements or consent to any assignments of leases or subleases or extensions to or terminations of Leases, without the prior written consent of the Buyer, which consent shall not be unreasonably withheld and after waiver of the Buyer's Conditions and payment of the Second Deposit, such consent of the Buyer may be unreasonably withheld.~~

TM

AS

~~q) An undertaking of the Seller's solicitor to the Buyer's solicitor, in a form satisfactory to the Buyer's solicitor, acting reasonably, to obtain and register the discharge of any registered encumbrances within a reasonable time. Such undertaking will include a copy of any discharge statements for mortgages or other encumbrances to be discharged on closing;~~

TM

AS

~~r) A certificate dated the closing date of the Seller, executed by a duly authorized officer of the Seller, certifying that the representations and warranties set out in this Agreement are true and correct as at the completion date and that the Seller's covenants and agreements to be observed or performed on or before the completion date pursuant to the terms of this Agreement have been duly observed and performed in all material respects with particulars of any applicable exceptions which the Buyer, acting reasonably, has consented to. Such representations and warranties shall not merge on the completion date but shall survive such completion date;~~

TM

AS

~~s) Such other documents as may be reasonably required by the Buyer, in form and substance satisfactory to the Buyer acting reasonably, to advertise this Agreement and the carrying out of the transactions contemplated herein.~~

TM

AS

ADJUSTMENTS

~~Adjustments shall be made as of closing for prepaid rents, deposits, prepaid realty taxes,~~

TM

AS

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

AS

INITIALS OF SELLER(S):

TM



Schedule A Agreement of Purchase and Sale - Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: 1000998274 Ontario Inc., and

SELLER: Albert Gelman Inc., solely in its capacity as Receiver of 2416946 Ontario Ltd. and not in its personal or corporate capacity


for the purchase and sale of 268 King St, Midland, ON L4R 3M3

07/02/26 dated the day of, 20.....

Buyer agrees to pay the balance as follows: See Schedule B 


~~prepaid utilities, and prepaid additional rents and other items ordinarily adjusted in a transaction of this nature. No adjustment will be made for rents in arrears and the Seller shall remain entitled to any arrears of rent or any accounts receivable in connection with the Tenants' obligations. For the month in which the closing occurs, no credit or debit shall be made with respect to any payment not yet made for the month of closing for tenancies which are in default. For payments already made for the month of closing, the Buyer shall receive as a credit in the Statement of Adjustments its proportionate share from and including the day of closing to the end of the month in which the day of closing occurs. The parties shall undertake to readjust if necessary after closing with respect to all amounts adjusted for in the statement of adjustments. The request for any readjustment shall be accompanied by sufficient supporting documents to verify the need for the readjustment. In the event that any Tenant makes a payment to the Buyer on account of any accounts receivable of the Seller, the Buyer shall immediately turn over such amounts to the Seller, less any costs of collection.~~

MAINTENANCE

~~The Seller agrees to leave the premises, including the floors, in a clean and broom swept condition, free of any debris and / or garbage.~~ 


COMPLETION DATE


In the event that the Completion Date does not fall on a Business Day then the Completion Date shall be the next Business Day.

The Buyer shall have the right at any time prior to Albert Gelman Inc. filing its motion with the court to obtain the Approval and Vesting Order contemplated herein, to assign the within Offer to any person, persons or corporation, either existing or to be incorporated, and upon delivery to the Seller of notice of such assignment, together with the assignee's covenant in favour of the Seller to be bound hereby as Buyer, the Buyer hereinbefore named shall not be released from all further liability hereunder. Once Albert Gelman Inc. has filed its motion material with the Court for the Approval and Vesting Order, this right of assignment is extinguished. 

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 

 The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2026, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

SCHEDULE "B" TO THE AGREEMENT OF PURCHASE AND SALE

1. The Property is being sold on an "as is, where is" and "without recourse" basis with no representations, warranties or (except as expressly stated herein) conditions, express or implied, statutory or otherwise of any nature and kind whatsoever, including without limitation, as to title, encumbrances, description, present or future use, fitness for use, environmental condition including the existence of hazardous substances, merchantability, quantity, defect (latent or patent), condition, location of structures, improvements and mezzanines or the legality thereof, zoning or lawful use of the Property, rights over or in favour of adjoining properties and any easements, right-of-way, rights of re-entry, restrictions and/or covenants which run with the land (whether registered or unregistered), ingress and egress to the Property, the condition or state of repair of any chattels, encroachments on the Property by adjoining properties or encroachments by the Property on adjoining properties, if any, any outstanding work orders, orders to comply, deficiency notices, building permits or building permit applications, municipal or other governmental requirements or agreements (including, without limitation, site plan agreements, development agreements, subdivision agreements, building or fire codes, building and zoning bylaws and regulations, development fees, imposts, lot levies and sewer charges) or any other matter or thing whatsoever, either stated or implied. The Buyer acknowledges having reviewed the state of title to the Property and agrees to accept title subject to all of the foregoing, and that it shall, despite any presumption to the contrary at law or otherwise, not be entitled to make any requisition as to title or otherwise.
2. This Agreement is conditional upon the Seller obtaining an Order of the Court approving the said Agreement, as well as conditional upon the Seller obtaining an Order of the Court vesting the Property in the Buyer and, on Closing, directing all registered charges to be deleted from title (the "**Approval and Vesting Order**") and that the Approval and Vesting Order shall not be subject to any appeal or any other judicial process staying its effect. The Buyer shall accept title to the Property subject to all other encumbrances and registrations. On Closing, title will be transferred by the Sale Approval and Vesting Order and not by Transfer/Deed of Land. The Buyer acknowledges and agrees that it shall satisfy itself regarding title or any other matter in relation to the Property.
3. The Buyer acknowledges that it has relied entirely on its own judgment, inspection and investigation of the Property and any rights necessary to the access, use and enjoyment of, appurtenant or otherwise, the Property and has not relied on any information, statement or document provided by the Seller or any representative of the Seller.

AS
AS



4. In the event of any conflict or inconsistency between any provision of this Schedule "B" and any provision of this Agreement of Purchase and Sale not contained in Schedule "B", the provision of Schedule "B" shall govern and prevail.
5. The Buyer acknowledges that the Seller is selling the Property pursuant to the Order dated May 1, 2025 appointing the Seller as the receiver (the "Receiver"), without security of all of the assets, undertakings and properties of 2416946 Ontario Ltd., and that the sale shall be pursuant to the Approval and Vesting Order.
6. The Deposit shall be held in trust by the Deposit Holder and shall be:
 - (a) credited to the Buyer as against the Purchase Price on the Closing Date if the transaction is completed;
 - (b) refunded to the Buyer without interest or deduction if the transaction is not completed, provided that the Buyer is not in default under this Agreement;
 - (c) retained by the Seller as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Seller may have under this Agreement and at law, including offer the Property for sale to another person, if the transaction is not completed as a result of the Buyer's breach hereunder; or
 - (d) retained by the Seller if the Buyer fails to close the transaction by the Closing Date or such later date as agreed to by the Seller, in its sole discretion, in which case this Agreement shall be deemed terminated.
7. The Seller shall not be required to furnish any abstracts of title or any survey or other document.
8. The Buyer acknowledges that the fixtures, improvements and chattels, if any, presently on the Property are to be taken by it, at its own risk completely, without representation or warranty of any kind from the Seller as to the ownership or state of repair of any such fixtures, improvements and chattels and that the Buyer is solely acquiring the right, title and interest of the Seller, if any, in and to the said chattels. The Buyer further acknowledges that the chattels and fixtures presently on the Property may be subject to security interests.
9. The Buyer acknowledges and agrees that the Buyer is acquiring the Property together with all of the chattels on an "as is where is" basis. The Buyer represents and warrants to the Seller that the Buyer has absolutely satisfied itself as to the status and condition of the chattels including without limitation their state of repair.
10. The Buyer agrees with the Seller that the Buyer shall take title to the Property subject to any tenancies in existence. The Buyer shall obtain possession of the Property at the Buyer's own expense. The Buyer acknowledges that the Seller will not obtain or provide any acknowledgments or agreements with respect to the Property from third parties, the

property manager and any tenants.

11. The Buyer acknowledges that any information supplied to the Buyer by the Seller or its agents or representatives is, and was supplied, without any representation or warranty or other assurance of any nature or kind whatsoever, and that the responsibility for the verification of any such information shall be wholly the responsibility of the Buyer.
12. The Buyer shall be responsible for payment of all realty taxes owing on the Property from and after the Closing Date, and payment of all taxes exigible on the sale and transfer of the Property and any chattels and fixtures, including without limitation, HST as applicable, retail sales tax as applicable and Land Transfer Tax.
13. The Seller shall provide the Buyer with only the keys to the Property that are in its possession.
14. The Closing Date shall occur on the later of (i) five (5) days (not including Saturday, Sunday or any day which is a statutory holiday in the Province of Ontario) following the obtaining of the Approval and Vesting Order by the Seller, or (ii) on such later date as the Seller may designate, in its sole discretion, provided that, in the event that the Approval and Vesting Order is, for any reason (not including the default of the Buyer), not obtained by the 90th day following the date of this Agreement, this Agreement shall be null and void and the deposit shall be returned to the Buyer, without interest or deduction.

CLOSING DOCUMENTS

Deliveries by Seller

15. The Seller will deliver on Closing to the Buyer a certificate signed by the Seller confirming that the Seller is not a non-resident of Canada for the purpose of section 116 of the Income Tax Act, together with the Approval and Vesting Order for registration by the Buyer, with all Land Transfer Taxes to be paid by the Buyer.

Deliveries by Buyer

16. At or before Closing, upon fulfillment by the Seller of all of the conditions herein in favour of the Buyer which have not been waived in writing by the Buyer, the Buyer shall deliver the following, each of which shall be in form and substance satisfactory to the Seller, acting reasonably:
 - a. payment of the Purchase Price pursuant to this Agreement;
 - b. a certified copy of the articles of incorporation of the Buyer;
 - c. evidence satisfactory to the Seller that the Buyer is registered for HST under the Excise Tax Act, including the Buyer's HST number and an undertaking to self-assess for HST;

and

such further and other documentation as is referred to in this Agreement or as the Seller may reasonably require to give effect to this Agreement.

CONFIDENTIALITY

17. The Buyer shall not publicly disclose the existence of this Agreement or disclose any of its contents except to its lenders, as long as the Buyer requires such parties to keep such confidential information confidential and as long as the Buyer shall be and remain responsible to the Seller for any breach of any party to whom the confidential information was disclosed.

GENERAL

18. Any notice to be given or document to be delivered to the Seller pursuant to this Agreement shall be sufficient if delivered personally or by email to the Seller as follows:

Albert Gelman Inc.
250 Ferrand Drive, Suite 403
Toronto, ON M3C 3G8
Attention: Tom McElroy
Fax: 416-504-1655
Email: tmcelroy@albertgelman.com

With a Copy to:

The Jennifer Jones Team, ~~Exp Realty Brokerage~~
~~24418 Hwy 48~~ 350 Harry Walker Pkwy, Unit 19
~~Baldwin, ON L0E 1A0~~ Newmarket, ON, L3Y 8L3
Attention: Angelik Jones/Jennifer Jones
Fax:
Email: angelik@jj.team, jenn@jj.team

LPT Realty Brokerage



19. Any notice to be given or document to be delivered to the Buyer pursuant to this Agreement shall be sufficient if delivered personally or by email to the Buyer as follows:

Name: 1000998274 Ontario Inc.
Address: 2172 Tiny Beaches rd N, Tiny, Ontario, L9M 0H6
Attention: Alf Storck
Fax:
Email: astorck@protonmail.com

With a Copy to:



Name: Lennard Commercial Realty
Address: #201 - 60 Columbia Way Markham
Attention: Cole Braithwaite
Fax: 905.752.2224
Email: cole@lennard.com



20. Any written notice or delivery of documents given in either manner prior to 5:00 p.m. (Toronto time) on a Business Day shall be deemed to have been given and received on the day of delivery or email transmission. The address or email address for notice to either party may be changed by notice in writing given by such party to the other party.
21. This Agreement shall be interpreted with all changes of gender and number required by the context.
22. This Agreement or any amendments to this Agreement may be executed electronically and delivered by either party by email or any similar system reproducing the original with the necessary signatures. Such delivery shall be deemed to be made when the email is received by the applicable party. The signatory shall promptly thereafter deliver the original to the recipient if requested to do so.
23. On the Closing Date, the Buyer shall cause the balance of the purchase price due on closing to be delivered to the Seller or as the Seller directs in writing by wire transfer using the LVTS system, together with the closing documents as provided above, by no later than 1:00 p.m. on the date set for closing (unless the Seller otherwise agrees in its sole discretion). The parties agree that the transaction shall proceed in accordance with the terms of a Document Registration Agreement to be prepared by the Seller's solicitors in the Seller's solicitor's standard form which shall set out the arrangements more particularly described in section 11 of the Agreement.
24. In the event that the closing date falls on a date on which the court office or the land registry office is not open or available to accept registrations, then in such event the closing shall take place on the next day on which the court office and the land registry office are open.
25. Property taxes only shall be adjusted as of the closing date. The Buyer acknowledges and agrees that the Seller shall not deliver any undertaking to re-adjust on closing.
26. Sections 8, 10, 15, 16, and 23 of the Agreement of Purchase and Sale are hereby deleted.
27. Notwithstanding anything to the contrary contained in this Agreement, if at any time or times prior to the Closing Date, the Seller is unable to complete this Agreement as a result of any action taken by an encumbrancer, any action taken by the present registered owner, the refusal by the present registered owner to take any action, the exercise of any right by the

present registered owner or other party which is not terminated upon acceptance of this Agreement, a certificate of pending litigation is registered against the Property, a court order is made prohibiting the completion of the sale, or if the sale of the Property is restrained or otherwise enjoined at any time by a Court of competent jurisdiction, the Seller may, in its sole and unfettered discretion, elect by written notice to the Buyer to terminate this Agreement, whereupon the deposit shall be returned to the Buyer and neither party shall have any further rights or liabilities hereunder against the other.

28. The Buyer acknowledges and agrees that the Seller is entering into the Agreement solely in its capacity as Receiver and not in its personal or any other capacity, and without personal or corporate liability. Any claim against the Seller shall be limited to, and only enforceable solely against the property and assets then held by or available to the Seller in its capacity as Receiver and shall not apply to its personal property and assets held by it in any other capacity. The Seller shall have no personal or corporate liability of any nature or kind whatsoever, whether in equity, contract, tort or otherwise in relation to this Agreement.
29. The Buyer may not assign any or all of its rights or benefits under this Agreement to any person without the Seller's written consent which consent shall be in the Seller's sole discretion. No assignment of this Agreement shall be permitted later than five (5) days prior to the date of the Approval and Vesting Order.
30. This Agreement and the schedules attached hereto constitute the entire agreement between the Seller and the Buyer in respect of the Property and the chattels being purchased. Each of the parties acknowledge that, except as contained in this Agreement, there is no representation, warranty, collateral agreement or condition (whether a direct or collateral condition or an express or implied condition) which induced it to enter into this Agreement. Each of the Seller and Buyer agrees that all provisions of this Agreement, and all provisions of any and all documents delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, shall survive the closing of the transaction contemplated by this Agreement.
31. Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Seller and the Buyer or their respective solicitors who are hereby expressly appointed for that purpose.
32. This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario.
33. The parties hereby attorn to the jurisdiction of the Ontario Superior Court of Justice (Commercial List) for any disputes in relation to or arising out of this Agreement.

[end of page]

CONDITIONS-Buyer

This offer is conditional from the acceptance of this offer for Two (2) business days for the Buyer to:

(1) receive lawyers approval of this APS;

This condition is for the sole purpose of the Buyer and may be waived at his sole option. If such a waiver is not received by the Seller or his agent within the period, then this offer is null and void and the deposit returned in full without deduction.

not to be
unreason-
withheld









This Agreement is conditional upon the Seller being satisfied with the terms of the Buyer's financing, in its sole and absolute discretion. Unless the Seller gives notice in writing delivered to the Buyer in accordance with the delivery of notice in this Agreement no later than 5:00 p.m. on the fifth (5) business day following acceptance of this Agreement by all parties (the "Condition Date"), that this condition is fulfilled, this Agreement shall be null and void and the deposit shall be returned to the Buyer in full without deduction or interest. This condition is included for the sole benefit of the Seller and may be waived at the Seller's sole option by notice in writing to the Buyer as aforesaid on or before the Condition Date.





ten (10)



Confirmation of Co-operation and Representation Buyer/Seller

Form 320
for use in the Province of Ontario

BUYER: 1000998274 Ontario Inc.

SELLER: Albert Gelman Inc., solely in its capacity as Receiver of 2416946 Ontario Ltd. and not in its personal or corporate capacity

For the transaction on the property known as: 268 King St, Midland, ON L4R 3M3

DEFINITIONS AND INTERPRETATIONS: For the purposes of this Confirmation of Co-operation and Representation: "Seller" includes a vendor, landlord, lessor or a prospective seller, vendor, landlord or lessor and "Buyer" includes a purchaser, tenant, lessee or a prospective buyer, purchaser, tenant or lessee and "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease. Commission shall be deemed to include other remuneration.

The following information is confirmed by the undersigned salesperson/broker representative(s) of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the Brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Trust in Real Estate Services Act, 2002 (TRESA).

1. SELLER BROKERAGE (Single Representation)

- a) The Seller Brokerage or a Designated Representative of the Seller Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:
 - 1) Neither the Seller Brokerage nor a Designated Representative of the Seller Brokerage is representing the Buyer and has not entered into a representation agreement with the Buyer.
 - 2) The Seller Brokerage or a Designated Representative of the Seller Brokerage is providing assistance to the Buyer and the Buyer is a self-represented party.
 - 3) The Seller client and Buyer client are each separately represented by different designated representatives of the same Brokerage and there is no multiple representation.

Additional comments and/or disclosures by Seller Brokerage:
.....

2. SELLER BROKERAGE (Multiple Representation)

- a) The Seller Brokerage has entered into a Representation Agreement with the Buyer and there is Multiple Representation.
- b) The Designated Representative who represents the Seller also represents the Buyer and there is Multiple Representation.

Additional comments and/or disclosures by Seller Brokerage: (e.g., The Seller Brokerage represents more than one Buyer offering on this property.)
.....

3. PROPERTY SOLD BY BUYER BROKERAGE

- a) The Brokerage or a Designated Representative of the Brokerage represents the Buyer and the Brokerage will be paid by the Buyer directly.
- b) The Brokerage or a Designated Representative of the Brokerage represents the Buyer and the Brokerage will be paid according to the Commission Agreement entered into between the Buyer and the Seller.

4. CO-OPERATING BROKERAGE

- a) **CO-OPERATING BROKERAGE – REPRESENTATION:**
 - 1) The Co-operating Brokerage or a Designated Representative of the Co-operating Brokerage represents the interests of the Buyer in this transaction.
- b) **CO-OPERATING BROKERAGE – COMMISSION:**
 - 1) The Seller Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property in the amount of as per mls to be paid from the amount paid by the Seller to the Seller Brokerage.
(Commission As Indicated In MLS® Information)
 - 2) The Co-operating Brokerage will be paid as follows:
.....

Additional comments and/or disclosures by Co-operating Brokerage: (e.g., The Co-operating Brokerage represents more than one Buyer offering on this property.)
.....

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGE REPRESENTATIVE(S) (Where applicable)

BUYER

CO-OPERATING/BUYER BROKERAGE

SELLER

SELLER BROKERAGE

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2026, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

Commission will be payable as described above, plus applicable taxes.

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Seller Brokerage, then the agreement between Seller Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Seller Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 4 above. The Seller Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

Lennard Commercial Realty
(Name of Co-operating/Buyer Brokerage)

Tel.: (905) 752-2220 Fax:

DocuSigned by:
Scott Sutherland
(Authorized to bind the Co-operating/Buyer Brokerage) (Date) 2/19/2026 | 2:26 PM EST

Cole Braithwaite Scott Sutherland
(Print Name of Salesperson/Broker/Broker of Record)

LPT Realty
(Name of Seller Brokerage)

333 Bay Street Unit: 5100 Toronto

Tel.: (877) 366-2213 Fax:

Authenticated:
ANGELIK JONES
(Authorized to bind the Seller Brokerage) (Date) 02/12/26

Angelik Jones
(Print Name of Salesperson/Broker/Broker of Record)

CONSENT FOR MULTIPLE REPRESENTATION

The Buyer and Seller confirm that they have previously consented to Multiple Representation.
The Buyer and Seller consent with their initials Multiple Representation for this transaction.

INITIALS OF BUYER(S)

INITIALS OF SELLER(S)

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

Alf Storck 07/02/26
Alf Storck (Feb 7, 2026 18:39:27 EST)
(Signature of Buyer) 1000998274 Ontario Inc. (Date)

(Signature of Buyer) (Date)

Authenticated:
Tom McElroy 02/12/26
Albert Gelman Inc., so1
(Signature of Seller) (Date)

(Signature of Seller) (Date)

Signature: Alf Storck
Alf Storck (Feb 13, 2026 16:13:44 EST)
Email: astorck@protonmail.com

Signature: Alf Storck
Alf Storck (Feb 18, 2026 16:08:26 EST)
Email: astorck@protonmail.com



Amendment to Agreement of Purchase and Sale - Commercial

Form 570
for use in the Province of Ontario

BETWEEN:

BUYER: 1000998274 Ontario Inc.

AND

SELLER: Albert Gelman Inc., in its capacity as Court-Appointed Receiver of 2416946 Ontario Ltd.

RE: Agreement of Purchase and Sale - Commercial (Agreement) between the Seller and Buyer, dated the 6th day of February, 2026,

concerning the property known as 268 King Street, Midland, Ontario L4R 3M3

..... as more particularly described in the aforementioned Agreement.

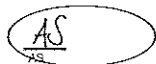
The Buyer and Seller herein agree to the following amendment(s) to the aforementioned Agreement:


Delete:


This Agreement is conditional upon the Seller being satisfied with the terms of the Buyer's financing, in its sole and absolute discretion not to be unreason withheld. Unless the Seller gives notice in writing delivered to the Buyer in accordance with the delivery of notice in this Agreement no later than 5:00 p.m. on the ten (10) days following acceptance of this Agreement by all parties (the "Condition Date"), that this condition is fulfilled, this Agreement shall be null and void and the deposit shall be returned to the Buyer in full without deduction or interest. This condition is included for the sole benefit of the Seller and may be waived at the Seller's sole option by notice in writing to the Buyer as aforesaid on or before the Condition Date.

Insert:

This Agreement is conditional upon the Seller being satisfied with the terms of the Buyer's financing, in its sole and absolute discretion not to be unreason withheld. Unless the Seller gives notice in writing delivered to the Buyer in accordance with the delivery of notice in this Agreement no later than 5:00 p.m. on Wednesday, March 4th, 2026 that this condition is fulfilled, this Agreement shall be null and void and the deposit shall be returned to the Buyer in full without deduction or interest. This condition is included for the sole benefit of the Seller and may be waived at the Seller's sole option by notice in writing to the Buyer as aforesaid on or before the Condition Date.

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 

 The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2026, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by Seller until 3:00 (a.m./p.m.) on the 01 day of March, 2026, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Buyer" includes purchaser and "Seller" includes vendor. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective solicitors who are hereby expressly appointed in this regard.

All other Terms and Conditions in the aforementioned Agreement to remain the same.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) Tom McElroy (Buyer/Seller/Authorized Signing Officer) (Seal) 03/01/26 (Date)
(Witness) (Buyer/Seller/Authorized Signing Officer) (Seal) (Date)

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) Alf Storch (Buyer/Seller/Authorized Signing Officer) (Seal) Mar 1, 2026 (Date)
(Witness) (Buyer/Seller/Authorized Signing Officer) (Seal) (Date)

The undersigned spouse of the Seller hereby consents to the amendment(s) hereinbefore set out.

(Witness) (Spouse) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed Mar 1, 2026

and written was finally accepted by all parties at _____ this _____ day of _____, 20_____
(a.m./p.m.)

Alf Storch
Alf Storch (Mar 1, 2026 13:52:04 EST)
(Signature of Seller or Buyer)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

Tom McElroy 03/01/2026
(Seller) Albert Gulson Inc., in its capacity as Court-Appointed Receiver of 2416 (Date)
(Seller) Court-Appointed Receiver of 2416946 Ontario Ltd. (Date)
Address for Service _____
(Tel. No.) _____
Seller's Lawyer Danny M. Nunes
Address 1370 Hurontario Street Mississauga, ON L5G 3H4
Email dn@capstonelegal.ca
(416) 414-3311
(Tel. No.) _____ (Fax. No.) _____

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

Alf Storch Mar 1, 2026
Alf Storch (Mar 1, 2026 13:52:04 EST)
(Buyer) 1000998274 Ontario Inc. (Date)
(Buyer) (Date)
Address for Service _____
(Tel. No.) _____
Buyer's Lawyer _____
Address _____
Email _____
(Tel. No.) _____ (Fax. No.) _____

R The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2026, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

APPENDIX H

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. 001

AMOUNT \$ 50,000

1. **THIS IS TO CERTIFY** that Albert Gelman Inc., the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of 2416946 Ontario Ltd. ("**241**") (the "**Borrower**" or the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor regarding the Property, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the 1st day of May, 2025 (the "**Order**") made in an application having Court File Number CV-25-00089766-0000, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ 50,000, being part of the total principal sum of \$ 250,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender ~~with interest thereon calculated and compounded (daily) (monthly not in advance on the xxxxxxxx day of each month) after the date hereof at a notional rate per annum equal to the rate of xxxxxx per cent above the prime commercial lending rate of Bank of xxxxxxxxxxxx from time to time.~~ with no interest calculated thereon.

3. Such principal sum ~~with interest thereon~~ is, by the terms of the Order, together with the principal sums ~~and interest thereon~~ of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority

of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal ~~and interest~~ under this certificate are payable at the main office of the Lender at Toronto, Ontario.


5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 2nd, day of September, 2025.

Albert Gelman Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: 
Name: Tom McElroy, CIRP, LIT
Title: Managing Director (Ontario)

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. 02

AMOUNT \$ 24,436.81

1. **THIS IS TO CERTIFY** that Albert Gelman Inc., the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of 2416946 Ontario Ltd. ("**241**") (the "**Borrower**" or the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor regarding the Property, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the 1st day of May, 2025 (the "**Order**") made in an application having Court File Number CV-25-00089766-0000, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ 24,436.81, being part of the total principal sum of \$ 250,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender ~~with interest thereon calculated and compounded [daily] [monthly not in advance on the xxxxxxxx day of each month] after the date hereof at a notional rate per annum equal to the rate of xxxxxx per cent above the prime commercial lending rate of Bank of xxxxxxxxxxxx from time to time.~~ with no interest calculated thereon.

3. Such principal sum ~~with interest thereon~~ is, by the terms of the Order, together with the principal sums ~~and interest thereon~~ of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority

of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal ~~and interest~~ under this certificate are payable at the main office of the Lender at Toronto, Ontario.


5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 3rd, day of December, 2025.

Albert Gelman Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: 
Name: Tom McElroy, CIRP, LIT
Title: Managing Director (Ontario)

APPENDIX I

**In the Matter of the Receivership of 2416946 Ontario Ltd.
Receiver's Final Statement of Receipts and Disbursements
As at March 25, 2026**

Receipts

Receiver's Borrowings	74,437
Rental income (net of certain property management fees)	19,316
Interest income	285
	<u>\$ 94,037</u> <i>A</i>

Disbursements

Receiver's fees December 31, 2025	50,650
Insurance	17,968
HST charged on disbursements	10,073
Legal fees of Receiver's counsel to February 28, 2026	8,998
Property management fees	7,876
Appraisal fees	5,750
Environmental consultants	2,750
Miscellaneous expenses	2,707
	<u>106,772</u> <i>B</i>

Actual net receipts over disbursements

\$ (12,734) *A-B*

Less: Priority payables to be paid from Real Property sale proceeds

Receiver's fees - unpaid accounts receivable to February 28, 2026	\$ 16,966
Repayment of Receiver's Borrowings	
Desjardins	74,437
Accruals to complete	
Receiver's fees (incl. HST)	33,900
Legal fees of Receiver's counsel (incl. HST)	22,600
Administrative disbursements	2,500
Realtor commissions (incl. HST)	sealed
Property taxes - Estimated	36,975

Total priority payables to be paid from Real Property sale proceeds

\$ 187,378

APPENDIX J

**ONTARIO
SUPERIOR COURT OF JUSTICE**

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant

- and -

2416946 ONTARIO LTD. and ALF K. STORCK

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED; AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

RECEIVER'S AFFIDAVIT OF FEES

I, Tom McElroy, of the City of Toronto, make oath and say as follows:

1. I am a Licenced Insolvency Trustee and Managing Director of Albert Gelman Inc. ("**Receiver**"), Receiver of 2416946 Ontario Inc., and as such have knowledge of the facts herein deposed to.
2. The Receiver has prepared invoices in connection with its fees as follows:
 - a. An account dated June 13, 2025 for the period to May 31, 2025 of \$20,881.00, plus HST thereon;
 - b. An account dated October 4, 2025 for the period June 1, 2025 to September 30, 2025 of \$18,215.00, plus HST thereon;
 - c. An account dated December 31, 2025 for the period from October 1, 2025 to December 31, 2025 of \$11,269.50, plus HST thereon;
 - d. An account dated February 8, 2026 for the period from January 1, 2026 to January 31, 2026 of \$4,986.50, plus HST thereon; and,
 - e. An account dated March 9, 2026 for the period from February 1, 2026 to February 28, 2026 of \$5,307.00, plus HST thereon;

3. A summary of the Receiver's time by staff member is as follows:

Staff member	Position	Hours worked	Hourly rate ¹	Average Hourly rate	Total
				(\$)	(\$)
Bryan Gelman, CIRP, LIT	Senior Managing Director	6.6	645 - 675	653.64	4,314.00
Tom McElroy, CPA, CA, CBV, CIRP, LIT	Managing Director (Ontario)	39.9	595	595.00	23,740.50
Chris Rowe, CA (ANZ)	Senior Manager	59.7	450 - 475	452.55	27,017.50
Steve Pitucci, CPA, CA	Senior Associate	1.0	460	460.00	460.00
Mahmood Shafique	Senior Associate	7.3	400	400.00	2,920.00
Jacqueline Dowdell	Associate	4.1	400	400.00	1,640.00
Ivy Chen	Estate Administrator	0.9	350	350.00	315.00
Robert Bubnic	Estate Administrator	0.2	350	350.00	70.00
Tanvi Paul	Estate Administrator	0.1	325	325.00	32.50
Daphna Cherniak	Banking Administrator	0.5	300	300.00	150.00
		120.3		504.24	60,659.50

(1) Effective January 1, 2026, the hourly rates of Bryan Gelman and Chris Rowe increased by \$30 and \$25, respectively.

- The Receiver's total fees are \$60,659.50, its total hours spent is 120.3 and, therefore, its average hourly rate is calculated to be \$504.24.
- The Receiver's accounts, including detailed time docket, are attached hereto as **Exhibit "A"**.
- This Affidavit is made in support of a motion to approve the accounts of Albert Gelman Inc. and for no improper purpose.

Sworn remotely by Tom McElroy at Toronto, Ontario before me at Toronto, Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely, the 20th day of March 2026




Bryan Gelman, a Commissioner, etc.,
Province of Ontario, for Albert Gelman Inc.
Expires November 22, 2028


Tom McElroy
 SBESX7UVW8EJYZ7E
 Tom McElroy

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

This is Exhibit "A" referred to in the
Affidavit of Tom McElroy
Sworn this 19 day of March 2026.



Commissioner for taking Affidavits

Bryan Gelman, a Commissioner, etc.,
Province of Ontario, for Albert Gelman Inc.
Expires November 22, 2028

INVOICE

Invoice Date: Jun 13, 2025
Invoice Num: 8060
Billing Through: May 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
4/5/2025	BGELMAN	Review of draft order; execute consent to act as Receiver;	0.40	\$645.00	\$258.00
4/24/2025	ICHEN	Opening file on Core, Ascend and Server.	0.30	\$350.00	\$105.00
4/25/2025	CROWE	Read email from T McElroy regarding draft order and application materials;	0.10	\$450.00	\$45.00
4/25/2025	TMCELROY	Review of application record (incl. draft form of appointment Order) and Desjardins demands; Discuss mandate with B. Gelman;	0.70	\$595.00	\$416.50
4/28/2025	BGELMAN	Attend pre-receivership planning meeting;	0.30	\$645.00	\$193.50
4/28/2025	CROWE	Initial planning meeting with T McElroy and B Gelman; Review file background and brief Richmond on file;	1.10	\$450.00	\$495.00
4/28/2025	TMCELROY	Meeting with C. Rowe and B. Gelman re pre appointment review and delegation of tasks;	0.50	\$595.00	\$297.50
4/29/2025	CROWE	Amend checklist per T McElroy instruction; Read email from B Gelman to realtor; Update checklist;	0.20	\$450.00	\$90.00
5/1/2025	BGELMAN	Review and respond to emails regarding appointment order and next steps; emails with counsel for applicant; emails to AGI team to coordinate next steps for site visit;	0.50	\$645.00	\$322.50
5/1/2025	CROWE	Review correspondence on receivership appointment; Review motion record and prepare for call with debtor; Discuss site visit with T McElroy and M Shafique; Call and email debtor to discuss next steps; Discuss site visit logistics with M Shafique; Read and file emails regarding court appearance; Organize LAN folder;	1.30	\$450.00	\$585.00
5/2/2025	BGELMAN	Update call with Tom McElroy and Chris Rowe re monitoring and next steps;	0.30	\$645.00	\$193.50
5/2/2025	CROWE	Update calendar for call with director and site visit; Call with director to discuss file; Review court order for details about 3 week stay; Call with M Shafique to discuss site visit; Update notes; Request documents from director; Instruct M Shafique to convert Ascend file; Call with T McElroy to discuss possession; Brief B Gelman and M Shafique and request instruction; Call with counsel for Desjardins. T McElroy and B Gelman to discuss possession; Travel to and from site; Inspect property; Meet with commercial tenant; Make notes on site visit; Discuss proposed arrangements with debtor with B Gelman and T McElroy;	7.90	\$450.00	\$3,555.00
5/2/2025	DCHERNAK	Attend to opening of trust account and banking related administration;	0.50	\$300.00	\$150.00
5/2/2025	MSHAFIQUE	Call with Chris to plan a visit to the premises; Conduct corporate profile; update ascend; Instruct Daphna to transfer file to estate; Visit the premises with Chris Rowe to collect information;	6.60	\$400.00	\$2,640.00

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Jun 13, 2025
Invoice Num: 8060
Billing Through: May 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

5/2/2025	TMCELROY	Internal discussions with C. Rowe and B. Gelman re taking possession of real property and next steps re same; Discussions with C. Rowe and B. Gelman while C. Rowe was on site; Email to legal counsel;	0.90	\$595.00	\$535.50
5/6/2025	CROWE	Draft site visit memo; Email debtor to follow up on required documents; Discuss with B Gelman; Review and summarize lease documents provided by debtor; Follow up for more information; Update Richmond on status of file; Create case website;	2.60	\$450.00	\$1,170.00
5/6/2025	MSHAFIQUE	Set up shareable folder with pictures of the visit;	0.20	\$400.00	\$80.00
5/6/2025	TMCELROY	Call with counsel re correspondence to Debtor re various matters;	0.30	\$595.00	\$178.50
5/7/2025	BGELMAN	File update meeting with Tom McElroy;	0.20	\$645.00	\$129.00
5/7/2025	CROWE	Discuss status of file and next steps with T McElroy; Discuss OSB filing with T McElroy; Email debtor regarding payout numbers; Review requests regarding property from debtor and instruct counsel;	1.00	\$450.00	\$450.00
5/7/2025	TMCELROY	File update meeting with C. Rowe; File review meeting with B. Gelman;	0.60	\$595.00	\$357.00
5/8/2025	CROWE	Read correspondence between T McElroy, counsel for Desjardins and city regarding property tax notices; Read correspondence between Desjardins and debtor regarding fee waiver; Read draft letter from counsel to debtor regarding information requests and instruct counsel to make changes;	0.70	\$450.00	\$315.00
5/8/2025	TMCELROY	Email to representative of the town of Midland re rent roll; Review and comments to counsel re letter to Debtor;	0.40	\$595.00	\$238.00
5/9/2025	BGELMAN	Review of draft letter to Mr. Storck and comments back to counsel;	0.10	\$645.00	\$64.50
5/9/2025	CROWE	Review revisions to letter to debtor from counsel and comments from T McElroy and B Gelman; Call and email debtor regarding insurance coverage;	0.30	\$450.00	\$135.00
5/12/2025	CROWE	Draft initial notice of receiver; Discuss with T McElroy; Review BIA requirements; Amend notice per T McElroy instruction; Liaise with M Shafique and I Chen regarding OR filing;	1.60	\$450.00	\$720.00
5/12/2025	ICHEN	E-file Notice of Receiver, Serving creditors with notice of receiver	0.60	\$350.00	\$210.00
5/12/2025	MSHAFIQUE	Fax notice to OSB;	0.10	\$400.00	\$40.00
5/12/2025	TMCELROY	Review, amend and sign notice and statement of Receiver;	0.40	\$595.00	\$238.00
5/13/2025	BGELMAN	Update meeting with Chris Rowe re insurance and next steps;	0.10	\$645.00	\$64.50
5/13/2025	CROWE	Call with M Shafique regarding Trustee licence; Discuss insurance with B Gelman and T McElroy; Email debtor regarding insurance; Prepare insurance application; Review appraisal received from debtor; Correspond with AON regarding insurance; Update secured lender and counsel;	1.40	\$450.00	\$630.00

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Jun 13, 2025
Invoice Num: 8060
Billing Through: May 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

5/13/2025	MSHAFIQUE	Call with OSB; email court order to OSB;	0.30	\$400.00	\$120.00
5/13/2025	TMCELROY	Discuss insurance not being confirmed by Debtor with C. Rowe;	0.20	\$595.00	\$119.00
5/14/2025	CROWE	Send meeting invitation for discussion; Meet with T McElroy, counsel for Desjardins and counsel for receiver regarding taking possession and next steps;	0.50	\$450.00	\$225.00
5/14/2025	TMCELROY	Discuss process of taking possession with C. Rowe; Conference call with secured creditor counsel, Receiver and Receiver's counsel;	0.40	\$595.00	\$238.00
5/15/2025	CROWE	Review and approve draft letter from counsel to debtor regarding possession; Meet with T McElroy and J Dowdell to run through next steps and delegate tasks; Instruct counsel to review draft property management agreement; Complete tasks on checklist; Draft email to debtor regarding required information and notification of possession; Instruct counsel to register on title, obtain property tax certificate and review order for scope of mandate; Review J Dowdell work on statement of receiver and other tasks and provide instruction; Read and respond to email from counsel regarding registration on title and scope of mandate;	2.40	\$450.00	\$1,080.00
5/15/2025	JDOWDELL	Meeting with C Rowe and T McElroy re file update; Email CRA re deemed trust claim; Pull PPSA search; Draft statement of receiver.	1.20	\$400.00	\$480.00
5/15/2025	TMCELROY	Internal meeting with C. Rowe and J. Dowdell to discuss delegation of task and process for taking possession; Correspondence from counsel;	0.70	\$595.00	\$416.50
5/16/2025	CROWE	Review draft bank letter from J Dowdell and request amendments; Instruct J Dowdell to issue letter;	0.50	\$450.00	\$225.00
5/16/2025	JDOWDELL	Draft banking letter; Update statement of receiver; Finalize and send letter to CIBC.	0.80	\$400.00	\$320.00
5/20/2025	CROWE	Read and respond to email from T McElroy regarding date of possession notification;	0.10	\$450.00	\$45.00
5/20/2025	TMCELROY	Review, amend and sign Statement of Receiver; Correspondence from legal counsel;	0.50	\$595.00	\$297.50
5/21/2025	CROWE	Follow up M Shafique for affidavit of mailing; Discuss affidavit with M Shafique, T McElroy and J Dowdell; Review counsel comments on draft property management agreement and request changes with property manager;	0.60	\$450.00	\$270.00
5/21/2025	JDOWDELL	Send statement of receiver; Affidavit of mailing; Update creditor listing in ascend.	1.00	\$400.00	\$400.00
5/21/2025	MSHAFIQUE	Review and sign affidavit of mailing;	0.10	\$400.00	\$40.00

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Jun 13, 2025
Invoice Num: 8060
Billing Through: May 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Date	Staff	Description	Hours	Rate	Amount
5/22/2025	CROWE	Discuss file and next steps with T McElroy; Request update on refinance and follow up information request from debtor; Request phase I environmental assessment from Pinchin; Instruct J Dowdell to follow up CIBC for account freeze and transfer of cash; Update checklist; Request appraisal from Y Belzberg; Request realtor act to market property for sale;	1.10	\$450.00	\$495.00
5/22/2025	TMCELROY	Internal meeting with C. Rowe to discuss file status and next steps;	0.30	\$595.00	\$178.50
5/23/2025	CROWE	Discuss appraisal of property with appraiser;	0.10	\$450.00	\$45.00
5/28/2025	CROWE	Review amendments from Richmond on property management agreement; Recommend signing to T McElroy; Review property management agreement for pricing schedule; Request pricing schedule from Richmond;	0.20	\$450.00	\$90.00
5/28/2025	TMCELROY	Review of property management agreement;	0.10	\$595.00	\$59.50
5/29/2025	CROWE	Request payment instructions from Richmond and discuss attornment;	0.20	\$450.00	\$90.00
5/30/2025	CROWE	Discuss rental attornment letters with Richmond; Finalize attornment notices and discuss with T McElroy; Send to Richmond and instruct delivery; Update attornment notices and send to Richmond for issue;	0.60	\$450.00	\$270.00
5/30/2025	TMCELROY	Discuss status of receivership administration, rental notices and other matters with C. Rowe; Review of property management agreement; Review of rent attornment letters;	0.80	\$595.00	\$476.00

Total Fees: \$20,881.50
HST/GST: \$2,714.60

Summary by Staff:

Staff	Hours	Rate	Amount
Bryan A Gelman, President, CIRP, LIT	1.90	\$645.00	\$1,225.50
Chris Rowe, Senior Manager, CA (ANZ)	24.50	\$450.00	\$11,025.00
Daphna Cherniak, Trust Fund Administrator	0.50	\$300.00	\$150.00
Ivy Chen, Estate Administrator	0.90	\$350.00	\$315.00
Jacqueline Dowdell, Associate	3.00	\$400.00	\$1,200.00
Mahmood Shafique, Senior Associate	7.30	\$400.00	\$2,920.00
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	6.80	\$595.00	\$4,046.00

Disbursements:

Non-Taxable Disbursements

SEARCH FEES (NON-TAXABLE): \$16.00

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Jun 13, 2025
Invoice Num: 8060
Billing Through: May 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

TRAVEL:	\$439.20
Taxable Disbursements	
PROMERIC FEE:	\$325.00
SEARCH FEES:	\$16.16
Total Expenses:	\$796.36
HST/GST:	\$44.35
Amount Due This Invoice:	\$24,436.81

Invoice Summary:	
TOTAL FEES AND DISBURSEMENTS:	\$21,633.51
TOTAL HST/GST:	\$2,758.95
TOTAL AMOUNT DUE:	\$24,436.81

GST/HST Registration # 83741 9514 RT0001

Payment Methods:

Interac e-Transfer:

Payment by e-transfer must include the FILE ID located on the upper corner of the invoice.
 Send payment to payments@albertgelman.com.

Electronic Funds Transfer (EFT) / Wire (CDN\$):

Beneficiary Bank: The Toronto-Dominion Bank
 Branch Address: 161 Bay St., Toronto, Ontario M5J 2T2
 Bank Institution Number: 004
 Transit: 05002
 Account Number: 5252455
 Beneficiary Name: Albert Gelman Inc.
 Swift Code: TDOMCATTOR

Cheques:

Payments by cheque can be mailed to:
 Albert Gelman Inc.
 150 Ferrand Drive, Suite 1503, Toronto, Ontario M3C 3E5

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Oct 4, 2025
 Invoice Num: 8367
 Billing Through: Sep 30, 2025
 File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
6/1/2025	CROWE	Read email from Richmond regarding rental attornment notices;	0.10	\$450.00	\$45.00
6/2/2025	CROWE	Complete Pinchin information sheet for environmental assessment;	0.20	\$450.00	\$90.00
6/3/2025	BGELMAN	Update call with Chris Rowe and Tom McElroy;	0.20	\$645.00	\$129.00
6/3/2025	CROWE	Review and accept changes to Richmond engagement agreement; Request T McElroy sign; Call with tenant regarding confirmation of rent payment; Discuss file and next steps with T McElroy;	0.70	\$450.00	\$315.00
6/3/2025	JDOWDELL	Save bank statements to server.	0.20	\$400.00	\$80.00
6/3/2025	TMCELROY	Final review and sign property management agreement; Review of CIBC bank statement for 12 month period prior to receivership; Internal file review meeting with C. Rowe and B. Gelman;	0.60	\$595.00	\$357.00
6/4/2025	CROWE	Discuss conference call with Desjardins with T McElroy; Review payment confirmation from tenant;	0.20	\$450.00	\$90.00
6/6/2025	BGELMAN	Attend call with representative of Desjardin and its counsel;	0.40	\$645.00	\$258.00
6/6/2025	CROWE	Review Pinchin agreement and provide amendment comments to T McElroy; Arrange for site visit of realtor and request proposal details; Correspond with Pinchin on required changes and arrange access; Correspond with appraiser regarding access; Conference call with Desjardins to discuss next steps;	1.70	\$450.00	\$765.00
6/12/2025	CROWE	Review correspondence arranging inspections; Review unpaid tax notice;	0.20	\$450.00	\$90.00
6/12/2025	RBUBNIC	Prepare bank reconciliation for May 2025.	0.10	\$350.00	\$35.00
6/13/2025	CROWE	Review amended environmental assessment proposal and sign; Discuss environmental assessment agreement with T McElroy;	0.30	\$450.00	\$135.00
6/16/2025	BGELMAN	Review and comments to interim statement of receipts and disbursements; Update call with Chris Rowe and Tom McElroy;	0.30	\$645.00	\$193.50
6/16/2025	CROWE	Prepare draft forecast R&D for T McElroy review; Read email from T McElroy regarding payment of legal invoice; Read discussion between T McElroy and counsel regarding property; Discuss file with T McElroy and B Gelman; Correspond with Pinchin regarding environmental assessment inspection; Correspond with realtor regarding rental income; Amend forecast R&D per B Gelman instruction and send to T McElroy;	2.60	\$450.00	\$1,170.00

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Oct 4, 2025
 Invoice Num: 8367
 Billing Through: Sep 30, 2025
 File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Date	Person	Description	Hours	Rate	Amount
6/16/2025	TMCELROY	Review of proposed budget re funding request and comments to C. Rowe re same; Correspondence from Pinchin re potential for underground storage tank; Internal file review meeting with B. Gelman and C. Rowe;	0.70	\$595.00	\$416.50
6/17/2025	TMCELROY	Finalize interim SRD forecast and forward same to secured creditor;	0.20	\$595.00	\$119.00
6/18/2025	CROWE	Discuss status of appraisal with T McElroy; Follow up appraiser for status; Correspond with Pinchin regarding environmental assessment; Review and provide financial information to appraiser;	1.30	\$450.00	\$585.00
6/18/2025	TMCELROY	Correspondence from Pinchin re historical site use re real property; Discuss same with B. Gelman;	0.20	\$595.00	\$119.00
6/19/2025	BGELMAN	Review and respond to email regarding Phase II and meeting with Tom McElroy re same; Update call with representatives of AGL re Phase I and recommendation for Phase II;	0.40	\$645.00	\$258.00
6/19/2025	CROWE	Read email from Pinchin regarding phase II timing; Discuss with B Gelman and set time for meeting with B Gelman and T McElroy;	0.20	\$450.00	\$90.00
6/19/2025	TMCELROY	Internal meeting with C. Rowe and B. Gelman to discuss Phase I and Phase II on property;	0.40	\$595.00	\$238.00
6/20/2025	BGELMAN	Attend update and checklist call with Tom McElroy and Chris Rowe;	0.30	\$645.00	\$193.50
6/20/2025	CROWE	Discuss file with T McElroy and B Gelman; Follow up AON for insurance certificate; Draft phase II environmental recommendation;	1.10	\$450.00	\$495.00
6/20/2025	TMCELROY	Internal file review meeting to discuss upcoming various matters and delegation of tasks; Review of realtor listing agreement; Comments to C. Rowe re draft email re Phase II ESA;	0.70	\$595.00	\$416.50
6/23/2025	BGELMAN	Review of listing proposal from Lennard Commercial Realty;	0.20	\$645.00	\$129.00
6/23/2025	CROWE	Read comments from T McElroy on draft phase II briefing for bank; Send to bank for consideration; Read T McElroy and B Gelman comments on listing proposal; Review insurance certificate and instruct J Dowdell to prepare cheque requisition; Review listing proposal;	0.40	\$450.00	\$180.00
6/23/2025	JDOWDELL	Prepare cheque requisition.	0.10	\$400.00	\$40.00
6/23/2025	TMCELROY	Discuss report to Court with C. Rowe;	0.20	\$595.00	\$119.00
6/24/2025	CROWE	Review draft phase I report from Pinchin; Recommend going final to T McElroy;	0.30	\$450.00	\$135.00
6/24/2025	TMCELROY	Review of Phase I ESA and discuss same with C. Rowe; Email to counsel re Phase I ESA;	0.50	\$595.00	\$297.50
6/25/2025	BGELMAN	Attend update call with Tom McElroy and Chris Rowe;	0.30	\$645.00	\$193.50

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Oct 4, 2025
Invoice Num: 8367
Billing Through: Sep 30, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Date	Person	Description	Hours	Rate	Amount
6/25/2025	CROWE	Discuss status of file with B Gelman and T McElroy; Correspond with Desjardins and listing agent regarding listing property; Calls with director; Review CIBC bank statements; Call current realtor and leave message; Read email from J Dowdell regarding CIBC statements;	1.30	\$450.00	\$585.00
6/25/2025	TMCELROY	Internal file review meeting with C. Rowe and B. Gelman;	0.30	\$595.00	\$178.50
6/26/2025	CROWE	Correspond with debtor regarding listing;	0.10	\$450.00	\$45.00
6/27/2025	CROWE	Call with debtor regarding listing and distribution of rent funds;	0.20	\$450.00	\$90.00
7/3/2025	CROWE	Correspond with Pinchin on phase II assessment; Instruct Pinchin to finalize phase I report;	0.20	\$450.00	\$90.00
7/4/2025	BGELMAN	Attend update meeting with Tom McElroy and Chris Rowe;	0.20	\$645.00	\$129.00
7/4/2025	CROWE	Review realtor listing agreement; Follow up appraiser for appraisal; Request update on rental amounts and utilities from Richmond; Review final phase I report; Discuss status of file with B Gelman and T McElroy;	0.70	\$450.00	\$315.00
7/4/2025	TMCELROY	Internal file review meeting with B. Gelman and C. Rowe;	0.20	\$595.00	\$119.00
7/6/2025	TMCELROY	Review of Phase I ESA recommendation; Forward report to secured creditor; Review of draft property appraisal and comments to appraiser re same; Review of realtor listing agreement and comments to realtor re same;	1.30	\$595.00	\$773.50
7/7/2025	CROWE	Read emails regarding appraisal and funding;	0.10	\$450.00	\$45.00
7/7/2025	TMCELROY	Email to secured creditor re funding request;	0.10	\$595.00	\$59.50
7/8/2025	CROWE	Correspond with debtor regarding commitment letter; Review terms of cover page of commitment letter and request balance;	0.20	\$450.00	\$90.00
7/10/2025	CROWE	File review meeting with T McElroy; Review T McElroy comments on draft listing agreement; Instruct debtor's realtor to remove listing; Review Pinchin invoice and save to LAN;	0.60	\$450.00	\$270.00
7/10/2025	TMCELROY	File update meeting with C. Rowe;	0.20	\$595.00	\$119.00
7/11/2025	CROWE	Read and respond to former realtor regarding listing; Review termination agreement, amend and sign; Review fully executed version and file; Read email from T McElroy to realtor regarding agreement;	0.50	\$450.00	\$225.00
7/11/2025	TMCELROY	Review of Debtor's listing termination agreement and forward same to realtor; Review and sign listing agreement; Email to realtor;	0.40	\$595.00	\$238.00
7/13/2025	TMCELROY	Conference call with Yoan Bouchard and B. Sarsh;	0.20	\$595.00	\$119.00
7/15/2025	CROWE	Read and respond to email from realtor regarding access and property tax information;	0.10	\$450.00	\$45.00
7/15/2025	RBUBNIC	Prepared bank reconciliation for June 2025.	0.10	\$350.00	\$35.00

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Oct 4, 2025
Invoice Num: 8367
Billing Through: Sep 30, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Date	Party	Description	Hours	Rate	Amount
7/16/2025	CROWE	Send meeting invitation to secured lender and their counsel to discuss sale process; Read emails between realtor and property manager regarding access; Save unpaid invoices to LAN and discuss with T McElroy; Read email from T McElroy regarding listing agreement;	0.60	\$450.00	\$270.00
7/16/2025	TMCELROY	Email to secured creditor;	0.10	\$595.00	\$59.50
7/17/2025	TMCELROY	Conference call with Secured creditor and counsel;	0.20	\$595.00	\$119.00
7/18/2025	CROWE	Read emails between T McElroy, secured creditor and realtor regarding realtor's comments on sale process and appraisal;	0.10	\$450.00	\$45.00
7/18/2025	TMCELROY	Email to Desjardins; Email to counsel for second mortgagee; Email to realtor;	0.40	\$595.00	\$238.00
7/21/2025	CROWE	Read email from T McElroy to Desjardins regarding listing comments from realtor;	0.10	\$450.00	\$45.00
7/21/2025	TMCELROY	Email from realtor re listing strategy and forward same to secured creditor;	0.20	\$595.00	\$119.00
7/22/2025	TMCELROY	Review of property listing;	0.20	\$595.00	\$119.00
7/24/2025	CROWE	Discuss loan from Desjardins with B Gelman;	0.10	\$450.00	\$45.00
7/25/2025	TMCELROY	File update meeting with B. Gelman;	0.10	\$595.00	\$59.50
7/26/2025	TMCELROY	Email to W. Greenspoon (counsel to second mortgagee) re property listing and appraisal;	0.30	\$595.00	\$178.50
7/27/2025	TMCELROY	Review and respond to correspondence from realtor re information for dataroom; Email to counsel re schedule B to APS;	0.30	\$595.00	\$178.50
7/28/2025	TMCELROY	Review of counsel proposed changes to Schedule B of form of APS; Email to realtor re same;	0.40	\$595.00	\$238.00
7/29/2025	TMCELROY	Review of offer received and comments to realtor re same; Email to realtor re form of APS;	0.30	\$595.00	\$178.50
7/30/2025	CROWE	Read emails from Richmond and realtor regarding listing issues; Read correspondence with realtor and T McElroy regarding offer; Read email from Desjardins regarding receivership funding;	0.30	\$450.00	\$135.00
7/30/2025	TMCELROY	Emails to/from property manager re information requested from realtor;	0.20	\$595.00	\$119.00
7/31/2025	TMCELROY	Instructions to R. Bubnic re banking matters;	0.10	\$595.00	\$59.50
8/13/2025	CROWE	Call with CRA regarding corporate tax account; Instruct J Dowdell to prepare cheque requisitions for outstanding disbursements;	0.20	\$450.00	\$90.00
8/14/2025	JDOWDELL	Request payment.	0.10	\$400.00	\$40.00
8/15/2025	BGELMAN	Review and approve trust cheques;	0.10	\$645.00	\$64.50
8/18/2025	CROWE	Review sale report from realtor;	0.10	\$450.00	\$45.00
8/20/2025	TMCELROY	Review and sign estate trust cheques (4);	0.20	\$595.00	\$119.00
8/21/2025	CROWE	Review updates from realtor and provide update to counsel;	0.30	\$450.00	\$135.00

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Oct 4, 2025
Invoice Num: 8367
Billing Through: Sep 30, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

8/23/2025	BGELMAN	Review and approval of Bank Reconciliation for month end July 31, 2025;	0.10	\$645.00	\$64.50
8/25/2025	TMCELROY	Review and respond to correspondence from realtor re market activity;	0.20	\$595.00	\$119.00
8/26/2025	BGELMAN	Attend file update meeting with Tom McElroy;	0.20	\$645.00	\$129.00
8/26/2025	CROWE	File review meeting with T McElroy and B Gelman;	0.20	\$450.00	\$90.00
8/26/2025	TMCELROY	File review meeting with B. Gelman and C. Rowe;	0.20	\$595.00	\$119.00
8/31/2025	TMCELROY	Prepare Receiver's Borrowings Certificate no. 1; Email to secured creditor re rate of interest to be charged on Receiver's borrowings;	0.50	\$595.00	\$297.50
9/1/2025	CROWE	Read emails regarding invoicing Desjardins;	0.10	\$450.00	\$45.00
9/3/2025	CROWE	Read and respond to email from T McElroy regarding listing price reduction; Discuss payment of environmental assessment with T McElroy;	0.20	\$450.00	\$90.00
9/3/2025	TMCELROY	Discuss listing price adjustment with C. Rowe;	0.10	\$595.00	\$59.50
9/4/2025	CROWE	Calls with tenant regarding disconnection of hydro; Call to brief Richmond; Email details to Richmond; Discussion with Richmond on rent roll reporting and inspections; Call with tenant; Read email from tenant and provide to Richmond;	0.80	\$450.00	\$360.00
9/4/2025	TMCELROY	Meeting with property manager to discuss management matters;	0.20	\$595.00	\$119.00
9/5/2025	CROWE	Correspond with D Cherniak, tenant and Richmond regarding restoration of utilities;	0.30	\$450.00	\$135.00
9/5/2025	TMCELROY	Review and sign estate trust cheque; Approval of property manager invoice;	0.20	\$595.00	\$119.00
9/7/2025	CROWE	Read email from tenant regarding hydro restoration; Email Richmond and request fix; Read emails from T McElroy regarding legal fees and listing price;	0.20	\$450.00	\$90.00
9/7/2025	TMCELROY	Review and respond to correspondence from counsel; Approve disbursement;	0.20	\$595.00	\$119.00
9/8/2025	BGELMAN	Meeting with Tom McElroy re lowering of listing price;	0.10	\$645.00	\$64.50
9/8/2025	CROWE	Read emails from T McElroy regarding listing price reduction and update to Desjardins; Review listing price change documentation; Review and file correspondence;	0.30	\$450.00	\$135.00
9/8/2025	TMCELROY	Review and respond to correspondence from realtor re reducing the listing price; Review and sign price change amendment; Review and sign estate trust cheque;	0.50	\$595.00	\$297.50
9/10/2025	CROWE	Correspond with tenant and Richmond regarding payment;	0.20	\$450.00	\$90.00
9/11/2025	TMCELROY	Review and respond to correspondence from property manager;	0.10	\$595.00	\$59.50
9/16/2025	CROWE	Review rent roll and query results with A Mehta; Read and respond to email from Richmond regarding rent roll and Hydro issue;	0.20	\$450.00	\$90.00

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Oct 4, 2025
Invoice Num: 8367
Billing Through: Sep 30, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Date	Staff	Description	Hours	Rate	Amount
9/17/2025	CROWE	Call with Richmond regarding transfer of utilities;	0.10	\$450.00	\$45.00
9/23/2025	CROWE	Review and approve draft fire inspection quote from Richmond;	0.10	\$450.00	\$45.00
9/23/2025	TPAUL	Bank Rec Prepared for the month of august 2025.	0.10	\$325.00	\$32.50
9/24/2025	CROWE	Read 6 monthly report; Read and respond to email from Richmond regarding fire inspection quote and merging of hydro meters for tenants;	0.20	\$450.00	\$90.00
9/24/2025	JDOWDELL	Send receivers report.	0.10	\$400.00	\$40.00
9/24/2025	TMCELROY	Prepare Receiver's six month report and updated interim SRD to be included therewith; Instructions to J. Dowdell to file with OSB; Email interim report to corporate officer;	1.10	\$595.00	\$654.50
9/25/2025	CROWE	Read correspondence between Richmond and realtor regarding utilities; File review meeting with B Gelman and T McElroy;	0.50	\$450.00	\$225.00
9/25/2025	TMCELROY	File update meeting with B. Gelman and C. Rowe;	0.10	\$595.00	\$59.50
9/27/2025	TMCELROY	Review and sign August 2025 bank reconciliation;	0.10	\$595.00	\$59.50
9/29/2025	CROWE	Read email from counsel regarding listing; Review listing details; Discuss counsel query with T McElroy; Respond to counsel regarding listing disclosures, interest in property and listing price;	0.50	\$450.00	\$225.00

Total Fees: \$18,215.00
HST/GST: \$2,367.95

Summary by Staff:

	Hours	Rate	Amount
Bryan A Gelman, President, CIRP, LIT	2.80	\$645.00	\$1,806.00
Chris Rowe, Senior Manager, CA (ANZ)	19.00	\$450.00	\$8,550.00
Jacqueline Dowdell, Associate	0.50	\$400.00	\$200.00
Robert Bubnic, Senior Estate Administrator	0.20	\$350.00	\$70.00
Tanvi Paul, Junior Estate Administrator	0.10	\$325.00	\$32.50
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	12.70	\$595.00	\$7,556.50

Disbursements:

Non-Taxable Disbursements

INSURANCE: \$2,017.32
 SEARCH FEES (NON-TAXABLE): \$9.45

Taxable Disbursements

POSTAGE: \$6.15
 SEARCH FEES: \$55.66

Total Expenses: \$2,088.58

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Oct 4, 2025
Invoice Num: 8367
Billing Through: Sep 30, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

HST/GST:	\$8.03
Amount Due This Invoice:	\$22,679.56

Invoice Summary:	
TOTAL FEES AND DISBURSEMENTS:	\$20,295.55
TOTAL HST/GST:	\$2,375.98
TOTAL AMOUNT DUE:	\$22,679.56

GST/HST Registration # 83741 9514 RT0001

Payment Methods:

Interac e-Transfer:

Payment by e-transfer must include the FILE ID located on the upper corner of the invoice.
Send payment to payments@albertgelman.com.

Electronic Funds Transfer (EFT) / Wire (CDNS):

Beneficiary Bank: The Toronto-Dominion Bank
Branch Address: 161 Bay St., Toronto, Ontario M5J 2T2
Bank Institution Number: 004
Transit: 05002
Account Number: 5252455
Beneficiary Name: Albert Gelman Inc.
Swift Code: TDOMCATTOR

Cheques:

Payments by cheque can be mailed to:
Albert Gelman Inc.
150 Ferrand Drive, Suite 1503, Toronto, Ontario M3C 3E5

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Dec 31, 2025
Invoice Num: 8724
Billing Through: Dec 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/1/2025	TMCELROY	Email to insurance broker; Approve disbursement;	0.20	\$595.00	\$119.00
10/2/2025	CROWE	Correspond with realtor, Richmond and T McElroy regarding utilities;	0.20	\$450.00	\$90.00
10/2/2025	TMCELROY	Correspondence from realtor; Correspondence from property manager; Review and sign estate trust cheque;	0.20	\$595.00	\$119.00
10/6/2025	CROWE	Read and respond to email from realtor regarding enquiries on property;	0.10	\$450.00	\$45.00
10/10/2025	CROWE	Read and respond to email from realtor regarding interest in property; Discuss payout number with T McElroy;	0.20	\$450.00	\$90.00
10/10/2025	TMCELROY	Prepare interim SRD; Review and respond to correspondence from Desjardin counsel re payout from Debtor;	1.10	\$595.00	\$654.50
10/14/2025	CROWE	Read emails from T McElroy and counsel regarding settlement; Review fire safety reports; Read email from T McElroy to property manager regarding current costs; Read and respond to email from D Cherniak regarding cheque requisition;	0.40	\$450.00	\$180.00
10/14/2025	TMCELROY	Approve disbursement; Update payout summary;	0.20	\$595.00	\$119.00
10/15/2025	CROWE	Call with commercial tenant regarding gas meter; Read email from Richmond regarding expenses; Read email from realtor regarding listing price; Make recommendation to T McElroy; Review statement of account from Richmond;	0.40	\$450.00	\$180.00
10/15/2025	TMCELROY	Review and sign estate trust cheque; Email from realtor; Discuss listing price reduction with C. Rowe; Email to property manager; Review of SRD from property manager; Update internal payout statement; Email to Desjardin counsel re same;	1.10	\$595.00	\$654.50
10/16/2025	CROWE	Review rent roll and T McElroy comments; Read email from T McElroy regarding listing price; Instruct realtor to lower listing price; Provide updates on files to Desjardins and Sagewise's counsel; Read emails from realtor regarding listing; Correspond with realtor regarding comparable listing; Read and respond to email from counsel for Sagewise;	0.80	\$450.00	\$360.00
10/16/2025	TMCELROY	Review of rent roll; Email to property manager re same;	0.20	\$595.00	\$119.00
10/16/2025	TMCELROY	Review and sign price amendment;	0.20	\$595.00	\$119.00
10/17/2025	CROWE	Phone call with T McElroy regarding rent;	0.10	\$450.00	\$45.00
10/18/2025	TMCELROY	Review and sign September 2025 bank reconciliation;	0.10	\$595.00	\$59.50
10/20/2025	CROWE	Discuss comparable listings with T McElroy; Email Desjardins regarding comparable listings;	0.30	\$450.00	\$135.00

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Dec 31, 2025
Invoice Num: 8724
Billing Through: Dec 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

10/20/2025	TMCELROY	Review of fire inspection report and email to property manager re same; Review and respond to correspondence from secured creditor counsel;	0.40	\$595.00	\$238.00
10/21/2025	CROWE	Read and respond to email from Desjardins regarding listing price;	0.10	\$450.00	\$45.00
10/21/2025	TMCELROY	Approve disbursement;	0.10	\$595.00	\$59.50
10/22/2025	TMCELROY	Review and sign estate trust cheque;	0.10	\$595.00	\$59.50
10/23/2025	CROWE	Review and approve quote for fire safety works;	0.10	\$450.00	\$45.00
10/27/2025	CROWE	File review meeting with T McElroy and B Gelman; Review report from	0.30	\$450.00	\$135.00
10/27/2025	TMCELROY	File update meeting with B. Gelman and C. Rowe;	0.20	\$595.00	\$119.00
10/28/2025	CROWE	Read and respond to email from Richmond regarding heating issue in building;	0.20	\$450.00	\$90.00
10/30/2025	CROWE	Read email from Richmond regarding tenancy arrears; Read enquiry from realtor regarding utilities;	0.20	\$450.00	\$90.00
10/31/2025	CROWE	Read email from realtor regarding utilities;	0.10	\$450.00	\$45.00
11/3/2025	CROWE	Read and respond to email from Richmond regarding gas account;	0.10	\$450.00	\$45.00
11/3/2025	TMCELROY	Review and sign estate trust cheque; Update email from realtor; Email to realtor;	0.30	\$595.00	\$178.50
11/5/2025	CROWE	Review realtor update on interest in property and provide leases to realtor;	0.20	\$450.00	\$90.00
11/6/2025	TMCELROY	Correspondence from realtor;	0.10	\$595.00	\$59.50
11/7/2025	TMCELROY	Review of monthly rent roll; Email to property manager re same; Begin drafting First Report to Court;	2.70	\$595.00	\$1,606.50
11/10/2025	CROWE	Read and respond to email from realtor regarding showing; Call Enbridge regarding restoration of service; Correspond with tenant regarding restoration of service; Instruct Richmond to change lock to residential door; Review leases and comment to realtor; Request background from director on subtenancy of resident; Attend call with realtor regarding current interest in the property;	2.00	\$450.00	\$900.00
11/10/2025	TMCELROY	Review and respond to correspondence from realtor; Emails to/from property manager re various matters; Email to counsel; Conference call with realtor and C. Rowe to discuss property sales process;	1.00	\$595.00	\$595.00
11/18/2025	TMCELROY	Correspondence from each of realtor, property manager and counsel to Desjardins;	0.20	\$595.00	\$119.00
11/19/2025	CROWE	Meet with Desjardins, counsel for Desjardins, T McElroy and AGI counsel regarding sale and redemption offer from director;	0.60	\$450.00	\$270.00
11/19/2025	TMCELROY	Conference call with realtor, Receiver, Desjardins and Desjardins counsel;	0.40	\$595.00	\$238.00

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Dec 31, 2025
Invoice Num: 8724
Billing Through: Dec 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

11/20/2025	CROWE	Email property manager regarding notice delivery to tenants; Correspond with realtor and property manager regarding utilities; Review correspondence;	0.70	\$450.00	\$315.00
11/20/2025	TMCELROY	Review and sign October 2025 bank reconciliation;	0.10	\$595.00	\$59.50
11/24/2025	CROWE	Read emails from Richmond regarding gas responsibility; Read emails from Richmond and realtor regarding inspections and utilities;	0.20	\$450.00	\$90.00
11/25/2025	CROWE	Read email from Richmond regarding installation of lockbox;	0.10	\$450.00	\$45.00
11/28/2025	TMCELROY	Correspondence from realtor;	0.10	\$595.00	\$59.50
12/2/2025	CROWE	File review meeting with T McElroy and J Dowdell;	0.20	\$450.00	\$90.00
12/2/2025	JDOWDELL	File review meeting.	0.20	\$400.00	\$80.00
12/2/2025	TMCELROY	Internal file meeting with C. Rowe and J. Dowdell;	0.20	\$595.00	\$119.00
12/3/2025	CROWE	Discuss mail redirection with J Dowdell;	0.10	\$450.00	\$45.00
12/3/2025	JDOWDELL	Mail forwarding.	0.10	\$400.00	\$40.00
12/3/2025	TMCELROY	Review and sign estate trust cheque;	0.10	\$595.00	\$59.50
12/5/2025	CROWE	Read email from Richmond regarding tenant leases;	0.10	\$450.00	\$45.00
12/5/2025	TMCELROY	Correspondence from property manager re fire inspection;	0.10	\$595.00	\$59.50
12/8/2025	TMCELROY	Approve disbursement;	0.10	\$595.00	\$59.50
12/9/2025	TMCELROY	Email to W. Ruderger (CRA) re pre-appointment balances and outstanding returns;	0.30	\$595.00	\$178.50
12/9/2025	TMCELROY	Review and sign estate trust cheque;	0.10	\$595.00	\$59.50
12/10/2025	CROWE	Review RTA notice requirements and email Richmond; Correspond with Richmond; Provide lease to counsel; Review marketing update from realtor; Read email from Richmond regarding completion of repair work; Read and respond to email from counsel regarding tenant contact information;	0.90	\$450.00	\$405.00
12/10/2025	TMCELROY	Update email from realtor; Review of updated rent roll from realtor; Email to counsel re tenant rental arrears; Review of counsel letter to delinquent tenant;	0.40	\$595.00	\$238.00
12/11/2025	CROWE	Read and respond to draft demand letter to tenants from counsel; Read and respond to email from Richmond regarding notice requirements;	0.20	\$450.00	\$90.00
12/11/2025	TMCELROY	Review of draft letter to tenant; Email to counsel re same;	0.20	\$595.00	\$119.00
12/12/2025	TMCELROY	Approve disbursement;	0.10	\$595.00	\$59.50
12/13/2025	CROWE	Review invoice from counsel; Read and respond to email from Richmond regarding tenant notices;	0.20	\$450.00	\$90.00
12/13/2025	TMCELROY	Review and sign November 2025 bank reconciliation;	0.10	\$595.00	\$59.50

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Dec 31, 2025
Invoice Num: 8724
Billing Through: Dec 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Date	Staff	Description	Hours	Rate	Amount
12/15/2025	CROWE	Read marketing update from realtor;	0.10	\$450.00	\$45.00
12/15/2025	TMCELROY	Update from realtor; Review and sign estate trust cheque;	0.20	\$595.00	\$119.00
12/18/2025	TMCELROY	Review and sign estate trust cheque;	0.10	\$595.00	\$59.50
12/19/2025	CROWE	Read email from counsel regarding rent payment; Enquire with property manager; Correspond with Richmond and counsel regarding non-payment of rent and court motion to require payment;	0.30	\$450.00	\$135.00
12/23/2025	TMCELROY	Review and sign estate trust cheque;	0.10	\$595.00	\$59.50
12/29/2025	CROWE	Read emails from realtor and Richmond regarding access notice;	0.10	\$450.00	\$45.00
12/30/2025	CROWE	Review insurance invoice and prepare cheque requisition; Request distribution of rent collected from Richmond;	0.50	\$450.00	\$225.00

Total Fees: \$11,269.50
HST/GST: \$1,465.04

Summary by Staff:

	Hours	Rate	Amount
Chris Rowe, Senior Manager, CA (ANZ)	10.10	\$450.00	\$4,545.00
Jacqueline Dowdell, Associate	0.30	\$400.00	\$120.00
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	11.10	\$595.00	\$6,604.50

Disbursements:

Taxable Disbursements

MAIL FORWARDING: \$302.75

Total Expenses: \$302.75
HST/GST: \$39.36
Amount Due This Invoice: \$13,076.65

Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$11,532.89
TOTAL HST/GST:	\$1,504.40
TOTAL AMOUNT DUE:	\$13,076.65

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Dec 31, 2025
Invoice Num: 8724
Billing Through: Dec 31, 2025
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Payment Methods:

Interac e-Transfer:

Payment by e-transfer must include the FILE ID located on the upper corner of the invoice.
Send payment to payments@albertgelman.com.

Electronic Funds Transfer (EFT) / Wire (CDN\$):

Beneficiary Bank: The Toronto-Dominion Bank
Branch Address: 161 Bay St., Toronto, Ontario M5J 2T2
Bank Institution Number: 004
Transit: 05002
Account Number: 5252455
Beneficiary Name: Albert Gelman Inc.
Swift Code: TDOMCATTOR

Cheques:

Payments by cheque can be mailed to:
Albert Gelman Inc.
150 Ferrand Drive, Suite 1503, Toronto, Ontario M3C 3E5

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Feb 8, 2026
 Invoice Num: 8746
 Billing Through: Jan 31, 2026
 File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
1/1/2026	TMCELROY	Review and sign estate trust cheque;	0.10	\$595.00	\$59.50
1/2/2026	JDOWDELL	Request payment.	0.10	\$400.00	\$40.00
1/5/2026	TMCELROY	Review and respond to correspondence from realtor;	0.10	\$595.00	\$59.50
1/6/2026	CROWE	Read emails between Richmond and realtor regarding utilities; Read emails between realtor and T McElroy regarding extension of listing agreement;	0.30	\$475.00	\$142.50
1/6/2026	TMCELROY	Review and sign estate trust cheque;	0.10	\$595.00	\$59.50
1/7/2026	TMCELROY	Review and sign amended listing agreement;	0.20	\$595.00	\$119.00
1/9/2026	CROWE	Read and respond to email from realtor authorizing information sharing with purchaser;	0.10	\$475.00	\$47.50
1/10/2026	CROWE	Read emails between realtor and property manager regarding utility information;	0.10	\$475.00	\$47.50
1/12/2026	BGELMAN	Meeting with Chris Rowe and Tom McElroy re file status update;	0.10	\$675.00	\$67.50
1/12/2026	CROWE	File review meeting with T McElroy and B Gelman;	0.10	\$475.00	\$47.50
1/12/2026	TMCELROY	Internal file review meeting with C. Rowe and B. Gelman;	0.10	\$595.00	\$59.50
1/16/2026	TMCELROY	Review of tenant AR summary;	0.10	\$595.00	\$59.50
1/18/2026	TMCELROY	Review and sign December 2025 bank reconciliation;	0.10	\$595.00	\$59.50
1/19/2026	CROWE	Read email from Richmond regarding N4; Request advice from counsel;	0.10	\$475.00	\$47.50
1/20/2026	CROWE	Read and respond to email from counsel regarding eviction application; Instruct property manager to issue N4; Review cash flow position from Richmond; Review insurance invoice; Request payment of cash on hand from Richmond; Read email from Richmond regarding payment of cash; Read and respond to email from T McElroy regarding Richmond ledger; Read email from T McElroy regarding collecting cash on hand; Instruct Richmond to send full balance; Discuss insurance with T McElroy;	0.60	\$475.00	\$285.00
1/20/2026	TMCELROY	Correspondence from counsel re problem residential tenants; Review of property cash flow statement prepared by property manager;	0.20	\$595.00	\$119.00
1/21/2026	JDOWDELL	Payment request.	0.10	\$400.00	\$40.00
1/23/2026	TMCELROY	Instruction to D. Cherniak re banking matters;	0.10	\$595.00	\$59.50
1/24/2026	BGELMAN	Review of offer and comments to Tom McElroy re same;	0.20	\$675.00	\$135.00
1/24/2026	TMCELROY	Review of offer; Discuss same with B. Gelman;	0.30	\$595.00	\$178.50
1/25/2026	TMCELROY	Continue drafting Receiver's First Report to Court;	2.00	\$595.00	\$1,190.00
1/26/2026	CROWE	Discuss Richmond invoices with T McElroy and S Pitucci; Email Richmond regarding invoice schedule; Read emails between T McElroy and appraiser regarding value of property; Read marketing update from realtor;	0.40	\$475.00	\$190.00

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Feb 8, 2026
 Invoice Num: 8746
 Billing Through: Jan 31, 2026
 File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Date	Staff	Description	Hours	Rate	Amount
1/26/2026	SPITUCCI	Meeting with C. Rowe and T. McElroy to discuss reconciling Richmond's statement of account with AGI billings	0.30	\$460.00	\$138.00
1/26/2026	TMCELROY	Email to appraiser; Call with realtor re offer; Call with appraiser;	0.50	\$595.00	\$297.50
1/27/2026	CROWE	Read email from appraiser regarding amended appraisal;	0.10	\$475.00	\$47.50
1/27/2026	TMCELROY	Review and respond to correspondence from appraiser;	0.10	\$595.00	\$59.50
1/28/2026	CROWE	Read email from Richmond regarding utility bill;	0.10	\$475.00	\$47.50
1/29/2026	TMCELROY	Instructions to D. Cherniak re banking matters;	0.10	\$595.00	\$59.50
1/30/2026	CROWE	Respond to meeting invitation regarding buyout; Read email from Richmond regarding utility bill; Read email from T McElroy regarding offer; Read email from appraiser regarding adjusted opinion; Read email from realtor regarding signback document; Review form of APS and request amendments from realtor; Brief T McElroy; Review marketing updates and listing; Read email from counsel regarding settlement offer;	1.70	\$475.00	\$807.50
1/30/2026	TMCELROY	Emails to/from realtor re offer; Call with appraiser; Discuss sign back with C. Rowe; Sign back offer; Correspondence from Desjardins counsel;	0.70	\$595.00	\$416.50

Total Fees: \$4,986.50
HST/GST: \$648.25

Summary by Staff:

Staff	Hours	Rate	Amount
Bryan A Gelman, President, CIRP, LIT	0.30	\$675.00	\$202.50
Chris Rowe, Senior Manager, CA (ANZ)	3.60	\$475.00	\$1,710.00
Jacqueline Dowdell, Associate	0.20	\$400.00	\$80.00
Steven Pitucci, Senior Manager, CPA, CA	0.30	\$460.00	\$138.00
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	4.80	\$595.00	\$2,856.00

Disbursements:

Non-Taxable Disbursements

OTHER MISC.: \$1,836.86

Taxable Disbursements

OTHER MISC.: \$1,836.86

Total Expenses: \$3,673.72

HST/GST: \$238.79

Amount Due This Invoice: \$9,547.26

Invoice Summary:

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Feb 8, 2026
Invoice Num: 8746
Billing Through: Jan 31, 2026
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

TOTAL FEES AND DISBURSEMENTS:	\$8,421.43
TOTAL HST/GST:	\$887.04
TOTAL AMOUNT DUE:	\$9,547.26

GST/HST Registration # 83741 9514 RT0001

Payment Methods:

Interac e-Transfer:

Payment by e-transfer must include the FILE ID located on the upper corner of the invoice.
Send payment to payments@albertgelman.com.

Electronic Funds Transfer (EFT) / Wire (CDN\$):

Beneficiary Bank: The Toronto-Dominion Bank
Branch Address: 161 Bay St., Toronto, Ontario M5J 2T2
Bank Institution Number: 004
Transit: 05002
Account Number: 5252455
Beneficiary Name: Albert Gelman Inc.
Swift Code: TDOMCATTTOR

Cheques:

Payments by cheque can be mailed to:
Albert Gelman Inc.
150 Ferrand Drive, Suite 1503, Toronto, Ontario M3C 3E5

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Mar 9, 2026
Invoice Num: 8774
Billing Through: Feb 28, 2026
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2/2/2026	BGELMAN	Attend call with representatives of Desjardin and their counsel, AGI and its counsel;	0.50	\$675.00	\$337.50
2/2/2026	CROWE	Call with counsel and Desjardins regarding principal settlement offer and sale of property; Review realtor update on property enquiries;	0.40	\$475.00	\$190.00
2/2/2026	TMCELROY	Conference call with Receiver, Receiver's counsel and counsel to secured creditor;	0.30	\$595.00	\$178.50
2/3/2026	TMCELROY	Review of sign back offer; Email to realtor;	0.20	\$595.00	\$119.00
2/4/2026	TMCELROY	Call with Realtor re reduction of listing price;	0.20	\$595.00	\$119.00
2/5/2026	CROWE	Read email from counsel regarding principal purchase offer; Review offer from principal and listing agreement;	0.30	\$475.00	\$142.50
2/5/2026	TMCELROY	Review and respond to correspondence from Desjardin counsel; Approve disbursement;	0.20	\$595.00	\$119.00
2/6/2026	TMCELROY	Email to counsel for second mortgagee; Sign revised listing; Review of updated appraisal; Approve disbursement;	0.50	\$595.00	\$297.50
2/8/2026	CROWE	Review new offers on property and recommend signback to T McElroy; Read correspondence between appraiser and T McElroy regarding updated appraisal;	0.20	\$475.00	\$95.00
2/9/2026	CROWE	Read email from T McElroy regarding offer; Read email from realtor regarding cancellation of viewing; Read email from T McElroy regarding offers;	0.30	\$475.00	\$142.50
2/9/2026	SPITUCCI	Reconciled Richmond Advisory's cash flow statement to supporting invoices	0.20	\$460.00	\$92.00
2/9/2026	TMCELROY	Review of updated appraisal;	0.30	\$595.00	\$178.50
2/10/2026	CROWE	Read email from realtor regarding proposed signback;	0.10	\$475.00	\$47.50
2/10/2026	TMCELROY	Review of offers; Discuss same with realtor;	0.30	\$595.00	\$178.50
2/12/2026	CROWE	Discuss signback with T McElroy;	0.10	\$475.00	\$47.50
2/13/2026	BGELMAN	Meeting with Tom McElroy re offers and sign backs;	0.20	\$675.00	\$135.00
2/13/2026	TMCELROY	Discussion with B. Gelman re offers received and signback;	0.20	\$595.00	\$119.00
2/14/2026	CROWE	Read email from realtor regarding A Storck offer; Recommend counter-offer with other purchaser; Read email from T McElroy regarding Richmond billing;	0.20	\$475.00	\$95.00
2/14/2026	TMCELROY	Review and sign January 2026 bank reconciliation;	0.10	\$595.00	\$59.50
2/15/2026	BGELMAN	Call with Tom McElroy re sales process;	0.20	\$675.00	\$135.00
2/15/2026	CROWE	Read emails between realtor and T McElroy regarding new offer;	0.10	\$475.00	\$47.50
2/15/2026	TMCELROY	Review and consider sign back offer from Alf Storck;	0.20	\$595.00	\$119.00

2416946 Ontario Ltd
250 Ferrand Drive
Suite 403
Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Mar 9, 2026
Invoice Num: 8774
Billing Through: Feb 28, 2026
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Date	Staff	Description	Hours	Rate	Amount
2/16/2026	TMCELROY	Email to realtor re sign back of offer; Email to counsel re sign back condition;	0.20	\$595.00	\$119.00
2/17/2026	BGELMAN	Review and approve language in APS for approval of buyer financing; Emails with realtor re same;	0.30	\$675.00	\$202.50
2/17/2026	CROWE	Read correspondence between T McElroy, realtor and counsel regarding counter-offer terms; Read email from realtor regarding deposit and finance; Read email from counsel regarding court availability;	0.30	\$475.00	\$142.50
2/17/2026	SPITUCCI	Reconciled Richmond's cash flow statements with billings received to confirm accuracy	0.20	\$460.00	\$92.00
2/17/2026	TMCELROY	Review of financing condition prepared by counsel; Review and respond to correspondence from realtor; Review and sign back APS with increased deposit and additional financing condition;	0.30	\$595.00	\$178.50
2/18/2026	CROWE	Read emails between realtor, B Gelman and T McElroy regarding offer;	0.20	\$475.00	\$95.00
2/18/2026	TMCELROY	Review of updated offer to purchaser; Email to realtor re same; Email to secured creditor; Prepare updated draft Interim SRD;	0.80	\$595.00	\$476.00
2/19/2026	BGELMAN	Prepare for and attend call with representatives of Desjardin;	0.40	\$675.00	\$270.00
2/19/2026	CROWE	Read emails regarding APS signing; Review and save APS to LAN;	0.10	\$475.00	\$47.50
2/19/2026	JDOWDELL	Corp search.	0.10	\$400.00	\$40.00
2/19/2026	TMCELROY	Conference call with secured creditor and secured creditor counsel; Call with and email to realtor re acceptance of offer;	0.40	\$595.00	\$238.00
2/20/2026	TMCELROY	Review and respond to correspondence from realtor;	0.10	\$595.00	\$59.50
2/23/2026	CROWE	Read emails regarding counter-offer to purchaser;	0.10	\$475.00	\$47.50
2/25/2026	SPITUCCI	Reviewed Richmond Advisory's invoices for potential duplicate charges	0.30	\$460.00	\$138.00
2/25/2026	TMCELROY	Approve disbursement;	0.10	\$595.00	\$59.50
2/26/2026	CROWE	Read emails from realtor and counsel regarding deposit;	0.10	\$475.00	\$47.50
2/27/2026	TMCELROY	Correspondence from realtor re Receiver's proof of financing condition;	0.10	\$595.00	\$59.50

Total Fees: **\$5,307.00**
HST/GST: **\$689.91**

Summary by Staff:

	Hours	Rate	Amount
Bryan A Gelman, President, CIRP, LIT	1.60	\$675.00	\$1,080.00
Chris Rowe, Senior Manager, CA (ANZ)	2.50	\$475.00	\$1,187.50
Jacqueline Dowdell, Associate	0.10	\$400.00	\$40.00

2416946 Ontario Ltd
 250 Ferrand Drive
 Suite 403
 Toronto, Ontario M3C 3G8

INVOICE

Invoice Date: Mar 9, 2026
Invoice Num: 8774
Billing Through: Feb 28, 2026
File ID: 2416946STORCK-ON-R

Re: Receivership of 2416946 Ontario Ltd

Steven Pitucci, Senior Manager, CPA, CA	0.70	\$460.00	\$322.00
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	4.50	\$595.00	\$2,677.50

Disbursements:

Non-Taxable Disbursements

INSURANCE:	\$2,017.32
OTHER MISC.:	\$1,083.90

Total Expenses:	\$3,101.22
Amount Due This Invoice:	\$9,098.13

Invoice Summary:	
TOTAL FEES AND DISBURSEMENTS:	\$8,408.22
TOTAL HST/GST:	\$689.91
TOTAL AMOUNT DUE:	\$9,098.13

GST/HST Registration # 83741 9514 RT0001

Payment Methods:

Interac e-Transfer:

Payment by e-transfer must include the FILE ID located on the upper corner of the invoice.
 Send payment to payments@albertgelman.com.

Electronic Funds Transfer (EFT) / Wire (CDN\$):

Beneficiary Bank: The Toronto-Dominion Bank
 Branch Address: 161 Bay St., Toronto, Ontario M5J 2T2
 Bank Institution Number: 004
 Transit: 05002
 Account Number: 5252455
 Beneficiary Name: Albert Gelman Inc.
 Swift Code: TDOMCATTOR

Cheques:

Payments by cheque can be mailed to:
 Albert Gelman Inc.
 150 Ferrand Drive, Suite 1503, Toronto, Ontario M3C 3E5

APPENDIX K

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990
c. C. 43, AS AMENDED AND IN THE MATTER OF SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED**

B E T W E E N:

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant

- and -

2416946 ONTARIO LTD. and ALF K. STORCK

Respondents

**FEE AFFIDAVIT OF DANNY NUNES
(sworn March 18, 2026)**

I, DANNY NUNES, of the City of Mississauga, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am the principal of Capstone Legal (“**Capstone**”), solicitors for Albert Gelman Inc., in its capacity as receiver and manager (in such capacities, the “**Receiver**”), without security, of the property, assets and undertakings of 2416946 Ontario Ltd. (the “**Debtor**”), acquired for or used in relation to all of the Debtor’s right, title and interest in and to the real property municipally known 268 King Street, Midland, ON. As such, I have knowledge of the matters hereinafter deposed to.
2. Attached hereto as **Exhibit “A”** are copies of the Statements of Account of Capstone in respect of services rendered to the Receiver for the period from May 2, 2025 to February 28, 2026 (the “**Billing Period**”). During the Billing Period, the total fees billed by Capstone were

\$7,700, disbursements in the amount of \$1,297.67 and applicable taxes in the amount of \$1,159.30.

3. As set out in the following table, 15.4 hours were billed by Capstone during the Billing Period resulting in an average hourly rate of \$500 (exclusive of applicable taxes):

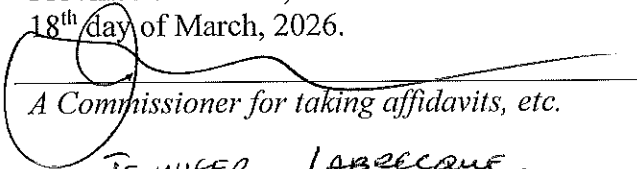
Lawyers	Hours	Rate/Hr.
Danny Nunes	15.4	\$500
TOTAL	15.4	Avg. Rate/Hr: \$500


4. The activities detailed in the Statements of Account attached as Exhibit "A" accurately reflect the services provided by Capstone and the rates charged are the standard hourly rates of those individuals at Capstone at the time they were incurred.

5. I have reviewed the Statements of Account and believe that the time expended and the legal fees charged are reasonable in light of the services performed and the prevailing market rates for legal services of this nature in Toronto.

6. I swear this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of Capstone set out above and for no other or improper purpose.

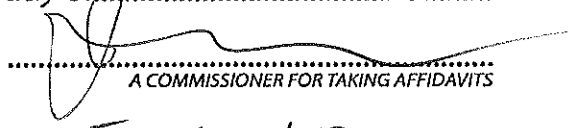
Sworn before me at the)
 City of Mississauga, in the)
 Province of Ontario, this)
 18th day of March, 2026.)
 _____)
 A Commissioner for taking affidavits, etc.)


 JENNIFER LABRECQUE



 DANNY NUNES

This is Exhibit A referred to in the
affidavit of DANNY NUNES
sworn before me, this 18
day of MARCH 2026



A COMMISSIONER FOR TAKING AFFIDAVITS

JENNIFER LABRELOUX

Capstone Legal
1370 Hurontario St
Mississauga, ON L5G3H4 Canada

Ph:416-414-3311

Albert Gelman Inc.
200 Ferrand Drive
Suite 403
Toronto, ON
M3C 3G8 Canada

June 13, 2025

Attention: Tom McElroy

File #: 25-032

Inv #: 65

RE: Receivership of 2416946 Ontario Ltd.

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
May-02-25	Correspondence with T. McElroy regarding new matter	0.20	100.00	DN
May-06-25	Attend call with T. McElroy and C. Rowe to discuss new matter; review correspondence from T. McElroy	0.50	250.00	DN
May-07-25	Review correspondence from T. McElroy regarding deadline for debtor refinancing	0.20	100.00	DN
May-08-25	Review correspondence regarding Receiver's possession of property; draft correspondence to A. Strock regarding insurance renewal and other matters; correspondence with T. McElroy and C. Rowe regarding same	0.90	450.00	DN
May-09-25	Correspondence with B. Gelman and T. McElroy regarding draft correspondence to A. Strock; finalize and send same;	0.20	100.00	DN
May-13-25	Correspondence with B. Gelman, T. McElroy and C. Rowe regarding status of insurance renewal and next steps; correspondence with T. McElroy, C. Rowe and B. Sarsh regarding same	0.10	50.00	DN
May-15-25	Correspondence with T. McElroy and C. Rowe regarding correspondence to debtor; send	0.50	250.00	DN

correspondence to debtor regarding possession of property; review correspondence attaching property manager engagement agreement; correspondence with C. Rowe regarding scope of receivership Order

May-16-25	Correspondence to C. Rowe regarding property management agreement	0.30	150.00	DN
May-20-25	Correspondence with counsel regarding registering receivership Order on title and getting property tax certificate	0.20	100.00	DN
May-21-25	Review correspondence regarding applicant funding of receivership	0.20	100.00	DN
	Totals	3.30	<u>\$1,650.00</u>	
	Total GST/HST on Fees		214.50	

DISBURSEMENTS

May-06-25	Admin Fee		50.00	
	Totals		<u>\$50.00</u>	
	Total GST/HST on Disbursements		6.50	
	Total Fee & Disbursements			<u>\$1,921.00</u>
	Balance Now Due			<u>\$1,921.00</u>

TAX ID Number 1937844
 Total GST/HST \$221.00

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.

Capstone Legal
1370 Hurontario St
Mississauga, ON L5G3H4 Canada

Ph:416-414-3311

Albert Gelman Inc.
200 Ferrand Drive
Suite 403
Toronto, ON
M3C 3G8 Canada

July 14, 2025

Attention: Tom McElroy

File #: 25-032

Inv #: 83

RE: Receivership of 2416946 Ontario Ltd.

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Jun-05-25	Review tax certificate; correspondence to C. Rowe and A. Zeldin regarding attaching same	0.20	100.00	DN
Jun-16-25	Correspondence with T. McElroy regarding property listing	0.20	100.00	DN
Jun-24-25	Review correspondence from T. McElroy attaching Phase 1 report	0.30	150.00	DN
	Totals	0.70	\$350.00	
	Total GST/HST on Fees		45.50	

DISBURSEMENTS

Jun-03-25	Tax Certificate*	80.00
Jun-12-25	Payment of Invoice #2968- JLPC	1,167.67
	Totals	\$1,247.67
	Total GST/HST on Disbursements	151.80

Total Fee & Disbursements

\$1,794.97

Previous Balance

1,921.00

Balance Now Due

\$3,715.97

TAX ID Number	1937844
Total GST/HST	\$197.30

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.

Capstone Legal
1370 Hurontario St
Mississauga, ON L5G3H4 Canada

Ph:416-414-3311

Albert Gelman Inc.
200 Ferrand Drive
Suite 403
Toronto, ON
M3C 3G8 Canada

September 5, 2025

Attention: Tom McElroy

File #: 25-032

Inv #: 97

RE: Receivership of 2416946 Ontario Ltd.

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Jul-08-25	Review correspondence from C. Rowe regarding refinancing commitment	0.10	50.00	DN
Jul-16-25	Review correspondence from C. Rowe regarding sale process, refinancing efforts and status of environmental Phase II report	0.10	50.00	DN
Jul-27-25	Review correspondence from T. McElroy attaching draft schedule for OREA APS; review and revise same and circulate for comment	1.00	500.00	DN
Jul-28-25	Correspondence with T. McElroy and realtor regarding schedule to OREA APS	0.30	150.00	DN
Jul-29-25	Correspondence with T. McElroy and realtors regarding revised schedule to OREA agreement	0.40	200.00	DN
Jul-30-25	Review correspondence from real estate agent regarding OREA APS	0.10	50.00	DN
Aug-20-25	Correspondence with T. McElroy and C. Rowe regarding sale process update	0.10	50.00	DN
	Totals	2.10	\$1,050.00	
	Total GST/HST on Fees		136.50	

Total Fee & Disbursements	\$1,186.50
Previous Balance	3,715.97
Previous Payments	3,715.97
Balance Now Due	\$1,186.50

TAX ID Number 1937844
 Total GST/HST \$136.50

PAYMENT DETAILS

Aug-27-25	Payment on Account	1,921.00
Aug-27-25	Payment on Account	1,794.97
Total Payments		\$3,715.97

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.

Capstone Legal
1370 Hurontario St
Mississauga, ON L5G3H4 Canada

Ph:416-414-3311

Albert Gelman Inc.
200 Ferrand Drive
Suite 403
Toronto, ON
M3C 3G8

October 14, 2025

Attention: Tom McElroy

File #: 25-032

Inv #: 115

RE: Receivership of 2416946 Ontario Ltd.

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Sep-06-25	Correspondence to C. Rowe and T. McElroy regarding status of sales efforts;	0.10	50.00	DN
Sep-07-25	Review correspondence from T. McElroy regarding status of sales efforts;	0.10	50.00	DN
Sep-24-25	Review receiver's interim report;	0.10	50.00	DN
	Totals	0.30	\$150.00	
	Total GST/HST on Fees		19.50	
	Total Fee & Disbursements			\$169.50
	Previous Balance			1,186.50
	Previous Payments			1,186.50
	Balance Now Due			\$169.50

TAX ID Number 1937844
Total GST/HST \$19.50

PAYMENT DETAILS

Sep-18-25	Payment on Account			1,186.50
	Total Payments			\$1,186.50

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.

Capstone Legal
1370 Hurontario St
Mississauga, ON L5G3H4 Canada

Ph:416-414-3311

Albert Gelman Inc.
200 Ferrand Drive
Suite 403
Toronto, ON
M3C 3G8 Canada

December 12, 2025

Attention: Tom McElroy

File #: 25-032

Inv #: 133

RE: Receivership of 2416946 Ontario Ltd.

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Oct-10-25	Review correspondence from applicant counsel regarding potential refinancing; correspondence with T. McElroy and C. Rowe regarding same;	0.20	100.00	DN
Oct-15-25	Review correspondence from T. McElroy attaching updated interim SRD;	0.10	50.00	DN
Nov-10-25	Correspondence with T. McElroy regarding rent dispute;	0.20	100.00	DN
Nov-18-25	Correspondence with applicant counsel regarding call to discuss repayment proposal;	0.20	100.00	DN
Nov-19-25	Correspondence regarding status call; correspondence with B. Gelman and T. McElroy regarding same; attend call with applicant counsel, realtor and T. McElroy;	0.60	300.00	DN
	Totals	1.30	\$650.00	
	Total GST/HST on Fees		84.50	
	Total Fee & Disbursements			\$734.50
	Previous Balance			169.50
	Previous Payments			169.50

Balance Now Due

\$734.50

TAX ID Number 1937844

Total GST/HST \$84.50

PAYMENT DETAILS

Oct-23-25 Payment on Account

169.50

Total Payments

\$169.50

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.

Capstone Legal
1370 Hurontario St
Mississauga, ON L5G3H4 Canada

Ph:416-414-3311

Albert Gelman Inc.
200 Ferrand Drive
Suite 403
Toronto, ON
M3C 3G8 Canada

February 4, 2026

Attention: Tom McElroy

File #: 25-032

Inv #: 159

RE: Receivership of 2416946 Ontario Ltd.

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Dec-10-25	Correspondence with T. McElroy and C. Rowe regarding rent arrears issue; draft correspondence regarding same and send to T. McElroy and C. Rowe;	0.40	200.00	DN
Dec-11-25	Correspondence with T. McElroy and C. Rowe regarding letter to tenants; revise same and send;	0.30	150.00	DN
Dec-19-25	Correspondence with C. Rowe regarding unpaid rent issue;	0.20	100.00	DN
Jan-29-26	Correspondence with applicant counsel regarding call to discuss refinancing proposal;	0.20	100.00	DN
Jan-30-26	Review correspondence from applicant counsel regarding applicant position on refinancing proposal; correspondence to client regarding same;	0.30	150.00	DN
	Totals	1.40	\$700.00	
	Total GST/HST on Fees		91.00	
	Total Fee & Disbursements			\$791.00
	Previous Balance			734.50
	Previous Payments			734.50

Balance Now Due

\$791.00

TAX ID Number 1937844

Total GST/HST \$91.00

Please note that this account is payable on receipt. If not paid within 30 days from the invoice date, interest at the rate of prime plus 2% per annum will be charged from the invoice date.

Capstone Legal
1370 Hurontario St
Mississauga, ON L5G3H4 Canada

Ph:416-414-3311

Fax:

Albert Gelman Inc.
200 Ferrand Drive
Suite 403
Toronto, ON
M3C 3G8 Canada

March 9, 2026

Attention: Tom McElroy

File #: 25-032

Inv #: 179

RE: Receivership of 2416946 Ontario Ltd.

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Feb-02-26	Attend call with client and application to discuss proposed refinancing and next steps regarding sale of property; review correspondence from B. Sarsh to A. Storck regarding same;	0.40	200.00	DN
Feb-03-26	Review correspondence from A. Storck regarding call to discuss sale of property;	0.10	50.00	DN
Feb-04-26	Correspondence with A. Storck regarding offer; speak to A. Storck regarding same; correspondence to counsel regarding same;	0.50	250.00	DN
Feb-05-26	Correspondence with A. Storck regarding APS; correspondence with T. McElroy, B. Gelman and B. Sarsh regarding same;	0.30	150.00	DN
Feb-06-26	Correspondence with A. Storck regarding offer;	0.20	100.00	DN
Feb-11-26	Review correspondence from T. McElroy attaching offer for signback; correspondence with realtor regarding same;	0.50	250.00	DN
Feb-12-26	Correspondence with realtor regarding signback offer; correspondence with T.	0.30	150.00	DN

	McElroy regarding same;			
Feb-13-26	Review correspondence from A. Storck regarding offer;	0.10	50.00	DN
Feb-16-26	Correspondence with T. McElroy regarding signback offer and wording for financing condition;	0.30	150.00	DN
Feb-17-26	Review correspondence regarding signback offer; correspondence with realtor and client regarding same;	0.50	250.00	DN
Feb-18-26	Review correspondence regarding offer signback, interim SRD and call to discuss same;	0.40	200.00	DN
Feb-19-26	Review correspondence from realtor, T. McElroy and bank counsel regarding sign back of counteroffer;	0.40	200.00	DN
Feb-20-26	Review correspondence from realtor and T. McElroy regarding signback of offer;	0.10	50.00	DN
Feb-21-26	Review correspondence from T. McElroy regarding Hensall rent issue;	0.10	50.00	DN
Feb-22-26	Correspondence to M. Ng regarding Hensall rental issue; correspondence to M. McElroy regarding same;	0.30	150.00	DN
Feb-23-26	Correspondence with realtor and T. McElroy regarding deposit and financing condition;	0.20	100.00	DN
Feb-25-26	Review correspondence from realtor regarding status of deposit;	0.10	50.00	DN
Feb-26-26	Correspondence with realtor and client regarding deposit and financing condition;	0.30	150.00	DN
Feb-27-26	Correspondence with realtor and client regarding financing condition; review correspondence from proposed lender; correspondence with client regarding same;	0.60	300.00	DN

Feb-28-26	Correspondence with realtor and client regarding financing condition; correspondence with purchaser counsel regarding same; voicemails with purchaser counsel regarding same;	0.60	300.00	DN
-----------	---	------	--------	----

Totals	6.30	\$3,150.00	
Total GST/HST on Fees		409.50	

Total Fee & Disbursements	\$3,559.50
Previous Balance	791.00
Previous Payments	791.00
Balance Now Due	\$3,559.50

TAX ID Number 1937844
 Total GST/HST \$409.50

PAYMENT DETAILS

Feb-20-26	Payment on Account		791.00
	Total Payments		\$791.00

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, AS AMENDED AND IN THE MATTER
OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

CAISSE DESJARDINS ONTARIO CREDIT UNION INC. v.

2416946 ONTARIO LTD. and ALF K. STORCK

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT HAMILTON

FEE AFFIDAVIT

CAPSTONE LEGAL
1370 Hurontario Street
Mississauga, ON L5G 3H4

Danny M. Nunes (LSO #53802D)
Tel: (416) 414-3311
Email: dn@capstonelegal.ca

Lawyers for the Receiver

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, AS AMENDED AND IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

CAISSE DESJARDINS ONTARIO CREDIT UNION INC. v.

2416946 ONTARIO LTD. and ALF K. STORCK

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT HAMILTON

FIRST REPORT OF THE RECEIVER
DATED MARCH 19, 2026

CAPSTONE LEGAL
1370 Hurontario Street
Mississauga, ON L5G 3H4

Danny M. Nunes (LSO #53802D)
Tel: (416) 414-3311
Email: dmn@capstonelegal.ca

Lawyers for the Receiver